

# SA Firm Energy Reliability Mechanism

## Tender Guidelines – Tender Round 1

October 2025



# Acknowledgement of Country

AusEnergy Services Limited (**ASL**) would like to acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, water and culture. We pay our respect to their Elders, past and present.

## Important Notice

### ACKNOWLEDGEMENT

The provisions of the *National Electricity (South Australia) (Firm Energy Reliability and Orderly Exit Management) Regulations 2025 (SA FERM Regulations)* under the *National Electricity (South Australia) Act 1996*, associated regulations and Regulatory Instruments made from time to time, apply to the Tender Round. This document includes a description of requirements of the SA FERM Regulations, associated regulations and Regulatory Instruments but is not a substitute for, and does not derogate from, those requirements.

### DISCLAIMER

This document has been prepared by AusEnergy Services Limited (ABN 59 651 198 364) as the Scheme Administrator. It is subject to the Tender Conditions and any other disclaimers or notices provided with this document.

The objective of the Tender Round is to receive offers for Products from persons that are interested in undertaking a Project and have the capacity, capability, and experience to do so. This document has been prepared to assist Proponents (and their Associates and Consortium Members) in making their own evaluation of the Project and does not purport to contain all the information that Proponents (and their Associates and Consortium Members) may require.

This document is not an offer document and is not intended to give rise to any contractual relationship. Proponents (and their Associates and Consortium Members) should conduct, and must rely entirely on, their own independent investigations, review, preparation of Bids, and analysis of the Tender Round, the Project and the information set out in this document or otherwise provided during the Tender Round, and not on this document.

This document provides a summary of the relevant parts of the SA FERM Regulations and associated regulations and policies as at 21 October 2025. Legislation and regulations and policies may be subject to change.

The Tender Round is conducted in accordance with the SA FERM Regulations and any other relevant associated regulations and Regulatory Instruments made from time to time. Further regulations and Regulatory Instruments (not yet made) may apply to a Tender Round including after its commencement and these regulations and Regulatory Instruments may be required to apply to the Tender Round. Proponents are expected to comply with these instruments throughout the Tender Round, including where amendments to them take effect during the Tender Round. Any new regulations specifically relevant to participation in the Tender Round will be notified by the Scheme Administrator through the Scheme Administrator's website.

This document may include generalisations and assumptions about future policy outcomes. This document or the information in it may be subsequently amended, withdrawn, reissued, or supplemented at any time. This document does not constitute legal or business advice and should not be relied on as a substitute for obtaining detailed advice about the SA FERM Regulations or any other applicable Laws, regulations, Regulatory Instruments, regulatory documents, reports, procedures, or policies.

ASL has taken care in the preparation of the information contained or referred to in this document but cannot guarantee its accuracy or completeness. Accordingly, to the maximum extent permitted by law, ASL and its Associates involved in the preparation of this document:

- 1) do not give any warranty or make any representation, express or implied, as to the completeness, accuracy, adequacy, or correctness of the information contained or referred to in this document or any information which may be provided in connection with it or the Tender Round; and
- 2) expressly disclaim any and all liability relating to or resulting from:

- a) the use of, or reliance on, such information by any person, a Proponent (including a Consortium Member) or any of their respective Associates, including in the preparation and submission of a Bid (including any decision not to prepare or submit a Bid); or
- b) the exercise of any discretion, or the making of any decision, by ASL or its Associates in relation to the Tender Round, including in the assessment of any Bid by a Proponent and its Consortium Members and their respective Associates unless such liability results from ASL's fraud or wilful misconduct.

## APPOINTMENT OF FINANCIAL VEHICLE

As at the time of publication of these Guidelines, the Scheme Administrator has commenced a tender process to appoint a Financial Vehicle as permitted under Regulation 9(3) of the SA FERM Regulations. The Financial Vehicle is intended to perform the functions described in Section 5.2.3 of these Guidelines. Any appointment may be subject to the Financial Vehicle obtaining certain third-party approvals or exemptions.

Without limiting any of the Scheme Administrator's other rights in these Guidelines (including the Tender Conditions), if the Scheme Administrator determines that a Financial Vehicle is unable to be appointed, resigns or is removed (for whatever reason), the Scheme Administrator may supplement, remove, add to or vary any part of this document or the Tender Process for this Tender Round or suspend or terminate the Tender Round. If this occurs, the Scheme Administrator will contact the impacted Proponents.

## CONFIDENTIALITY

Other than information publicly disclosed on ASL's website dedicated to the Tender Round, all Disclosed Information is confidential information about ASL and its activities. Proponents, Consortium Members and their respective Associates are subject to the confidentiality obligations set out in and are not permitted to disclose or to use any such information other than as permitted by the Tender Conditions.

## ROLE OF OTHER ENTITIES

In accordance with Regulation 14 of the SA FERM Regulations, the Scheme Administrator is to act independently in the long-term financial interests of South Australian electricity consumers and act in a commercially reasonable and prudent way. In conducting activities in connection with this document and in the exercise of its statutory functions under the SA FERM Regulations, the Scheme Administrator may seek advice and input from subject matter experts, advisers, and other credible parties during the Tender Round. This may include, for examples seeking advice from AEMO or sharing Proponent information with Assisting Entities and other relevant entities with regulated roles in the National Electricity Market (**NEM**).

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# Summary of SA FERM Tender Round 1

The South Australian Minister for Energy and Mining has appointed AusEnergy Services Limited (**ASL**) as a Scheme Administrator for the Firm Energy Reliability Mechanism (**SA FERM** or '**the Scheme**') pursuant to Regulation 9(1)(a) of SA FERM Regulations and has directed ASL, in its capacity as Scheme Administrator, to undertake a competitive tender process to assist in meeting the Firm Energy Target pursuant to Regulation 24(1) of the SA FERM Regulations.

These Tender Guidelines contain necessary information for participating in the SA FERM Tender Round 1.

In accordance with Regulation 14 of the SA FERM Regulations, the Scheme Administrator must act independently and in the long-term financial interests of South Australian electricity consumers and act in a commercially reasonable and prudent way.

## KEY INFORMATION FOR PROPONENTS

The SA FERM Tender Round 1 aims to support the development of long duration dispatchable electricity capacity to assist in meeting the Firm Energy Target (**FET**). The Tender involves a competitive process, where Proponents can be awarded a FERMA which provides underwriting support from a Financial Vehicle (**FV**).

Key information for Proponents is listed in Table 1. Proponents should refer to Section 3.1 for the detailed Eligibility Criteria.

**Table 1**      **Key Information for Proponents**

Element	Description
<b>Connection</b>	The Proponent must have submitted:  (a) a request to ElectraNet for a connection options report/assessment or to SA Power Networks for a feasibility study or engineering report;  (b) a connection enquiry; or  (c) an application to connect,  in respect of a network connection to the SA region of the NEM.
<b>Technology type</b>	The Facility's fuel source must not be coal or nuclear.  The Facility may be composed of more than one technology. For example, a gas generator with a battery.
<b>Minimum size of Facility</b>	Registered capacity of not less than 30 MW and must be able to continually dispatch at the Committed Output Capacity for not less than 8 hours, for the entirety of the Operational Period.
<b>Bid Entity</b>	The Bid Entity must be:  (a) a person who is required or intends to be registered by AEMO as a Generator / Integrated Resource Provider after the date of Tender Launch and prior to the Required COD  (b) a person who: <ul style="list-style-type: none"><li>on or prior to the date of Tender Launch, has either:<ul style="list-style-type: none"><li>notified AEMO under clause 2.10.1 of the NER that it wishes to terminate the existing classification of the Facility prior to 1 July 2028; or</li><li>submitted a Notice of Intention to the Scheme Regulator that the person intends to withdraw from or exit the NEM, or otherwise cease to provide long duration dispatchable electricity capacity; and</li></ul></li><li>is recognised by the Minister as being equivalent to a 'new designated electricity entity' (as defined in the SA FERM Regulations) on account of the substantial replacement of existing assets.</li></ul>
<b>Tender Category, Target COD &amp; Tender Target</b>	Proponents must nominate a Required COD that is on or before one of the Target CODs listed in the table below. Bids will be allocated to the Tender Category based on their nominated Required COD. For example, a Bid that nominates 1 November 2029 as its Required COD will be allocated to Tender Category 2.

Element	Description															
	The following Tender Targets apply to the aggregate amount of LDC recommended for award in this Tender Round.															
	<table><tr><th>Tender Category</th><th>Target COD</th><th>Tender Target</th></tr><tr><td>1</td><td>1/11/2028</td><td>400 MW</td></tr><tr><td>2</td><td>1/11/2029</td><td>200 MW</td></tr><tr><td>3</td><td>1/11/2031</td><td>100 MW</td></tr></table>	Tender Category	Target COD	Tender Target	1	1/11/2028	400 MW	2	1/11/2029	200 MW	3	1/11/2031	100 MW			
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	1	1/11/2028	400 MW													
	2	1/11/2029	200 MW													
	3	1/11/2031	100 MW													
Tender Category 1 is a key priority, and Bids in this category that are ready for acceptance on competitive terms, such as strong financial value or minimal commercial departures, may be recommended ahead of others through an accelerated process.																
Where the long duration dispatchable electricity capacity ( <b>LDC</b> ) volume recommended to the FV for Category 1 is less than the Tender Target, the Scheme Administrator, may at its discretion ‘carry over’ the difference between the Tender Target and LDC volume (‘Tender Shortfall’) to the Tender Target for Tender Category 2. No ‘carry over’ of Tender Shortfalls from Tender Categories 1 and 2 shall apply to Tender Category 3.																
Project structure	The Proponent must propose one Bid Entity to be the counterparty to the FERMA in accordance with Section 4.19. Under the terms of the FERMA, the Bid Entity must be a Special Purpose Vehicle ( <b>SPV</b> ) established solely for developing and operating the Project, which owns or otherwise hold all Project assets and be entitled to all Project revenue.															
FERMA term	15 years															
Terms of participation	Participation in the Tender Round is subject to compliance with the Tender Conditions and execution of the Tender Process Deed.															
Bid Assessment Criteria (BAC)	<table><tr><th colspan="2">BAC &amp; Weighting</th><th>Objective</th></tr><tr><td>BAC 1 (20%)</td><td>Project deliverability and timeline</td><td>Assessment on milestone progress and plan to reach COD by the relevant Target COD. Includes assessment of Project development plans, network connections, planning approvals and land tenure.</td></tr><tr><td>BAC 2 (20%)</td><td>Organisational and financing capability</td><td>Assessment of relevant capability and experience, proposed delivery model, development funding and financing strategy.</td></tr><tr><td>BAC 3 (40%)</td><td>Financial Value</td><td>Assessment of forecast cost and potential cost exposure as well as wholesale market and reliability benefits.</td></tr><tr><td>BAC 4 (20%)</td><td>Commercial departures</td><td>Assessment of the nature and impact of any commercial departures from the Proforma FERMA.</td></tr></table>	BAC & Weighting		Objective	BAC 1 (20%)	Project deliverability and timeline	Assessment on milestone progress and plan to reach COD by the relevant Target COD. Includes assessment of Project development plans, network connections, planning approvals and land tenure.	BAC 2 (20%)	Organisational and financing capability	Assessment of relevant capability and experience, proposed delivery model, development funding and financing strategy.	BAC 3 (40%)	Financial Value	Assessment of forecast cost and potential cost exposure as well as wholesale market and reliability benefits.	BAC 4 (20%)	Commercial departures	Assessment of the nature and impact of any commercial departures from the Proforma FERMA.
	BAC & Weighting		Objective													
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	BAC 3 (40%)	Financial Value	Assessment of forecast cost and potential cost exposure as well as wholesale market and reliability benefits.													
BAC 4 (20%)	Commercial departures	Assessment of the nature and impact of any commercial departures from the Proforma FERMA.														









**Table 2 Tender Process Overview**

Tender Process Step	What Happens
 <p><b>Registration Period</b></p>	<p><b>Register to participate in the Tender Process</b></p> <p>Registration must be completed before a Bid may be submitted. To register a Project, Proponents must create an account via the Online Portal. Successfully registered Proponents will be notified via the Online Portal of any changes made to the Tender Process.</p>
 <p><b>Tender Submission</b></p>	<p><b>Submit a Bid</b></p> <p>To participate in this Tender Process, successfully registered Proponents must submit a completed Bid Form, Returnable Schedules, FERMA, executed Tender Process Deed and other information necessary to demonstrate satisfaction of each of the Eligibility Criteria (<b>EC</b>) and Bid Assessment Criteria (<b>BAC</b>) via the Online Portal. The Scheme Administrator may elect not to assess a Bid further where documentation is incomplete and/or not duly executed (in the case of deeds or agreements).</p> <p><b>Q&amp;A Process</b></p> <p>Proponents may submit clarification questions to the Online Portal by no later than five (5) Business Days before the Bid Closing Date and Time. Refer to the Q&amp;A process for more information.</p>
 <p><b>Tender Assessment</b></p>	<p><b>Assess Bids</b></p> <p>The Scheme Administrator will assess the Bids for compliance against the ECs and against the BACs where any additional factors it considers relevant as outlined in Section 2.3.</p>
 <p><b>Award and Execute Contracts</b></p>	<p><b>Recommend Bids</b></p> <p>Based on the assessment of Bids, the Scheme Administrator will recommend successful Bids to the FV for execution. These recommendations may occur in accelerated manner where some successful Proponents may be notified and awarded before others.</p> <p><b>Execute FERMA</b></p> <p>Successful Proponents must execute the FERMA with the FV.</p>

# Important Dates\*

Table 3     Important Dates

	Step	Date & Time
	Tender Launch	20 October 2025
	Registration, Bids and Q&A Open Date and Time	20 October 2025 5:00PM (ACDT)
	Registration and Q&A Closing Date and Time	21 November 2025 5:00PM (ACDT)
	Bid Closing Date and Time	28 November 2025 5:00PM (ACDT)
	Notify unsuccessful Proponents	March / April 2026
	Announcement of selected Bids and contract award <sup>1</sup>	March / April 2026

\*Note: these dates are indicative for this Tender Round. Final dates and any amendments to final dates will be published on the ASL website or notified, as applicable, to registered Proponents.

<sup>1</sup> Bids that qualify for Tender Category 1 that also offer competitive terms, such as strong financial value or minimal commercial departures, may enter an accelerated process.



# 1. Tender Outline

## 1.1 ABOUT ASL

The South Australian Government has appointed ASL to act as a Scheme Administrator to carry out certain functions for the SA FERM. In this role, ASL is undertaking this competitive Tender Process, and will recommend Bids to the Financial Vehicle, in accordance with these Guidelines.

As a Scheme Administrator, ASL must act independently and in the long-term financial interests of South Australian electricity consumers and act in a commercially reasonable and prudent way.<sup>2</sup>

## 1.2 BACKGROUND

This Tender Round is part of the SA FERM Scheme. The Scheme aims to support the provision of long duration dispatchable electricity capacity to ensure secure, reliable and affordable electricity supply for South Australia<sup>3</sup>.

The Tender Round involves a competitive process, where Proponents can be awarded long-term revenue support from the FV for long duration dispatchable electricity capacity through a FERMA.

## 1.3 TENDER CATEGORIES & TARGETS

This Tender will comprise of three Tender Categories. Proponents must nominate a Required COD for their Bid that is on or before a Target COD for one of the Tender Categories in Key Information for Proponents. Bids will be allocated to the earliest applicable Tender Category for which they qualify, based on their nominated Required COD. For example, a Bid that nominates 1 November 2029 as its Required COD will be allocated to Tender Category 2.

Proponents may nominate a Required COD for their Bid that is earlier than the relevant Target COD for a Tender Category, however as per Section 2.5, the Scheme Administrator may include lower ranked/exclude higher ranked Bids where a lower or similarly ranked Project has nominated a Required COD that is closer to the Target COD.

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<sup>2</sup> Regulation 14 of the SA FERM Regulations.

<sup>3</sup> Regulation 3 of the SA FERM Regulations.

The following Tender Targets apply to the aggregate quantity of LDC recommended for award in each Tender Category for Tender Round 1.

**Table 4 Tender Categories and Targets**

Tender Categories	Target COD	FERMA term	Tender Target
1	1/11/2028	15 years	400 MW
2	1/11/2029	15 years	200 MW
3	1/11/2031	15 years	100 MW

The Scheme Administrator may recommend an aggregate quantity of LDC above or below the Tender Target, subject to any applicable conditions or limit set in a direction of the Minister to the Scheme Administrator. Where the LDC volume recommended to the FV for Category 1 is less than the Tender Target, the Scheme Administrator may, in its discretion, carry over any difference between the Tender Target and total LDC recommended to the FV from Tender Category 1 to Tender Category 2. No carry over applies in respect of Tender Category 3.

Tender Category 1 is a key priority, and Bids in this category that are ready for acceptance on competitive terms, such as strong financial value or minimal commercial departures, may be recommended ahead of others through an accelerated process.

## 1.4 FERMA OVERVIEW

Successful Proponents will enter into the FERMA with the FV.

The FERMA is a contract made available by the FV to a Long Duration Capacity Provider (**LDCP**) engaged by the FV to provide long duration dispatchable electricity capacity for South Australia. The FERMA provides a mechanism to underwrite a portion of a Project's annual Net Revenue, promoting financial certainty and incentivising reliable operational performance.

The Proforma FERMA is intended to be offered substantially on an 'as is' basis. The Scheme Administrator will assess any proposed departures and may cease assessing a Bid where departures, whether individually or collectively, are determined to materially alter the risk profile or exposure of the Financial Vehicle.

The FERMA will be available shortly after the Tender Launch. Proponents will be notified when the documents are available via the Online Portal.

## 1.5 COMMERCIAL TERMS

An updated Proforma FERMA, to be completed and executed by successful Proponents will be published shortly after the release of these Tender Guidelines. This Proforma FERMA supersedes the indicative draft published on 8 October 2025.

The FERMA outlines the performance obligations and the financial support mechanism that the FV provides to successful Proponents. The FERMA includes:

- a financial mechanism for annual Scheme Payments when Net Revenue falls below a pre-agreed Revenue Floor, with the Scheme Payment being limited to the Payment Cap;
- an Upside Payment obligation when Net Revenue exceeds the Revenue Floor, with the Upside Payment being limited by the lesser of the Revenue Sharing Cap plus (if applicable) the Fuel Reimbursement, or the cumulative balance of previous payments;

- for conventional (i.e. fuel-based) generators, a Fuel Reimbursement of deemed fuel costs as determined under a Fuel Cost Determination; and
- a Capacity Commitment that incentivises the Facility to be online and available during critical periods of system stress and need.

Proponents are required to nominate specific Bid Variables for their Project. These are assessed under BAC 3 – Financial Value. The Bid Variables and key commercial terms are outlined in the table below.

Proponents may submit Bid Variables in their Alternative Bid that are different to the Bid Variables submitted for their Default Bid.

Please note that capitalised terms in these tables that are not defined in the Glossary will have the meaning given in the FERMA.

**Table 5 Bid Variables**

Bid Variable	Description	Value bid by Proponent
<b>Revenue Floor</b>	The net revenue threshold which determines whether Scheme Payments or Upside Payments are payable, and also the amount of such payments.  It is expected that Proponents of conventional generators (e.g. gas generators) that are entitled to receive a Fuel Reimbursement will take this into account, in providing an efficient bid with a lower Revenue Floor, compared with if they were not entitled to receive that reimbursement.	An amount in \$/year
<b>Payment Cap</b>	The maximum amount of Scheme Payments to be paid by the FV to the LDCP in any Operational Year. It must be the same as the Revenue Sharing Cap.	An amount in \$/year A Proponent may bid this as a schedule of values which differ by Operational Year.
<b>Revenue Sharing Cap</b>	The maximum amount of Upside Payments to be paid by LDCP to the FV in any Operational Year. It must be the same as the Payment Cap.	As above
<b>Required COD</b>	The date by which the LDCP must achieve COD for the Project.	A date selected by a Proponent in accordance with EC6  An Alternative Bid may participate in a different Tender Category to the Default Bid by nominating a different Required COD.
<b>Excluded Operational Years</b>	Nominated periods of 12 months (from 1 November to 31 October) during the Operational Period where the Proponent has nominated that Scheme Payments will not be payable. Upside Payments and other obligations under the FERMA will still apply during Excluded Operational Years. Excluded Operational Years do not extend the FERMA term beyond 15 years.	A list of Excluded Operational Years, each commencing on 1 November  A Proponent may choose to have none, one or several Excluded Operational Years in a Bid.
<b>Committed Output Capacity</b>	The required capability of the Facility, in aggregate of any bidirectional and conventional units, to dispatch power into the NEM through the connection point at any given time.	A committed power capacity in MW This may be less than the total export capability of the Facility.
<b>Committed Storage Capacity (bidirectional)</b>	The amount of storage capacity for all bidirectional units in the Facility in excess of (if applicable) the minimum state of charge and disregarding degradation which occurs over time.	A committed storage capacity in MWh Must not be less than the committed bidirectional power capacity multiplied by 8 (see the requirements in EC2).

The Bid Variables above must be submitted for a compliant Default Bid and Alternative Bid. Bid Variables may differ between a Default Bid and Alternative Bid.

For clarity, Project configurations (as per Section 2.2.6 of these Guidelines) and commercial departures (as set out in the Departures Tables submitted by the Proponent) are not permitted to differ between a Default Bid and an Alternative Bid.

**Table 6 Key commercial terms**

Key terms	Description
<b>Commercial terms</b>	
<b>Operational Period</b>	<p>The period commencing on the later of:</p> <ul style="list-style-type: none"> <li>COD; and</li> <li>the Target COD for the relevant Tender Category,</li> </ul> <p>and ending on the date that is 15 years after the Target COD for the relevant Tender Category.</p> <p>Aside from any initial stub year that may be created if COD occurs after the Target COD, it is intended that all Operational Years will run for 12 month periods from 1 November to 31 October.</p>
<b>Scheme Payments</b>	<p>If Net Revenue is below the Revenue Floor:</p> <ul style="list-style-type: none"> <li>Scheme Payments will be calculated as: <math>90\% \times (\text{Revenue Floor} - \text{Net Revenue})</math>; and</li> <li>no Upside Payment is payable.</li> </ul> <p>The Scheme Payment for an Operational Year is capped at the Payment Cap.</p>
<b>Upside Payment</b>	<p>If Net Revenue exceeds the Revenue Floor:</p> <ul style="list-style-type: none"> <li>Upside Payment will be calculated as: <math>50\% \times (\text{Net Revenue} - \text{Revenue Floor})</math>.</li> </ul> <p>The Upside Payment for an Operational Year is capped at the lesser of:</p> <ul style="list-style-type: none"> <li>the Revenue Sharing Cap plus the Fuel Reimbursement for that year; or</li> <li>the Cumulative Balance (i.e. the cumulative balance of previous payment to the LDGP under the FERMA).</li> </ul>
<b>Net Revenue</b>	Net Revenue will be calculated as: $\text{Operational Revenue} - \text{Permitted Costs}$
<b>Annual Escalation</b>	Escalation is expected to be applied to the Revenue Floor, Payment Cap and Revenue Sharing Cap at the lesser of CPI and 3%.
<b>Operational Revenue</b>	Intended to cover most revenue streams derived from the Facility that are received by the LDGP. This would include gross revenue generated through the wholesale energy market, ancillary markets, network support, any future emerging markets and any other eligible contracts.
<b>Permitted Cost</b>	<p>Intended as a list of specific costs that includes gross costs of importing electricity, ancillary services, NER costs and payments under eligible contracts.</p> <p>Note that fuel costs (e.g. gas fuel costs for a gas generator) are not included as a Permitted Cost. This is separately addressed in the Fuel Reimbursement.</p>
<b>Fuel Reimbursement (conventional generators only, such as gas)</b>	<p>For conventional (i.e. fuel-based) generators only, a Fuel Reimbursement will be determined based on a Fuel Price Determination made by the Scheme Regulator. The details of this determination is outlined in Section 1.6.1.</p> <p>It is expected that a LDGP which receives a Fuel Reimbursement will have taken this into account to provide an efficient bid with lower values of Revenue Floor and Payment Cap compared with if they didn't receive the reimbursement.</p> <p>For bidirectional facilities, such as batteries, the costs in relation to the import of electricity is included as a Permitted Cost, and the concept of Fuel Reimbursement will not be applicable.</p>
<b>Performance rebates</b>	
<b>Availability Rebate</b>	<p>This rebate applies where the actual availability of the Facility across an Operational Year is less than the required availability threshold.</p> <p><b>Rebate</b> = <math>\text{Scheme Payment} \times (\text{Required Availability \%} - \text{Actual Availability \%})</math>.</p> <p>Subject to adjustments for Force Majeure and Major Loss Events.</p>
<b>Storage Rebate</b>	<p>The storage rebate applies only to bidirectional facilities where tested storage capacity is less than the committed storage capacity.</p> <p><b>Rebate</b> = <math>\text{Scheme Payment} \times \text{Storage Rebate Percentage}</math>.</p> <p><b>Storage Rebate Percentage</b> = <math>(\text{Committed Storage} - \text{Minimum State of Charge} - \text{Tested Storage}) / (\text{Committed Storage} - \text{Minimum State of Charge})</math>.</p> <p>If LDGP is liable for both a storage rebate and availability rebate in the same Operational Year, then only the highest rebate will apply.</p>

## 1.6 LDGP OBLIGATIONS

The LDGP must comply with obligations which are designed to ensure timely delivery, reliable performance, and alignment with the objectives of the Scheme as outlined in the Proforma FERMA. The LDGP's key general and performance obligations are outlined in Table 7 and Table 8 respectively.

**Table 7 General Obligations**

Key obligation	Description
Development period	
<b>Project milestones</b>	Satisfy all Milestones, including COD, by the relevant Milestone Date.
<b>Early Termination Security</b>	Maintain a bank guarantee or letter of credit until COD to secure Project delivery obligations, calculated at \$20,000/MW of Committed Output Capacity (capped at \$4 million).
Operational period	
<b>Capacity Commitment</b>	Comply with the Capacity Commitment as defined in the FERMA and otherwise summarised in Table 7 below.
<b>Availability and/or storage</b>	Ensure the Facility meets availability and/or storage duration requirements as defined in the FERMA.
<b>Market Liquidity Obligations (MLO)</b>	Meet MLO(s) to be published in the Minister's Guidelines published on the South Australia Department of Energy and Mining website, as applicable. Refer to <a href="#">Market Liquidity Obligations</a> for the MLO characteristics that Proponents should assume in making their Bid.
<b>Revenue reporting</b>	Submit quarterly financial reports detailing assessable revenue and costs.
<b>General compliance</b>	Maintain licences, comply with law, and cooperate with audits and Scheme oversight.

**Table 8 Capacity Commitment**

Key obligation	Description
<b>Compliance intervals</b>	Forecast Lack of Reserve ( <b>LOR</b> ) 2 and LOR 3 events in the South Australian region of the NEM.
<b>Capacity requirement</b>	The LDGP must ensure that the actual capacity of the Facility is equal to at least the Committed Output Capacity during compliance periods, subject to certain relief events. The Facility must maintain this actual capacity for 8 hours or until the compliance period ends, whichever occurs earlier.
<b>LOR Notice Period</b>	The LDGP must comply with the capacity requirement if it received this minimum notice period ahead of the compliance period commencing. The LOR Notice Period for all technology types is 6 hours.
<b>Consequence for failure to comply</b>	A failure to comply with the Capacity Commitment (on one or more occasion) can give rise to civil penalties under the FERM Regulations or contractual remedies for breach of an obligation, including termination of the FERMA.

## 1.6.1 MARKET LIQUIDITY OBLIGATIONS

The Market Liquidity Obligations (**MLO**) is an important part of the Scheme as it ensures that LDCPs contribute to a liquid contract market that promotes secure, reliable and affordable electricity supply for South Australia.

In preparing a Bid, Proponents should assume that there will be an MLO implemented through Minister's Guidelines pursuant to Regulation 33(2)(b) of the SA FERM Regulations (**MLO Guidelines**). In place of any MLO Guidelines being available at Tender Launch, Proponents should assume that the MLO Guidelines, as applicable, may prescribe that the MLO:

- applies to a recognised electricity entity, or a new designated electricity entity who is a party to a FERMA.
- requires that no more than a minimum of 20% of an entity's Capacity Commitment (as outlined in Schedule 2 of the FERMA) must be offered through qualifying contracts over a forward Obligation Period.
- applies during annual Obligation Periods. The Obligation Period 1 (applying to entities contracted under Tender Category 1) for this Tender Round, will be 1 January 2029 to 31 March 2029 inclusive, and Obligation Period 2 will be 1 July 2029 to 30 September 2029.
- requires that qualifying contracts must meet certain contract specifications, which will include (but not be limited to) the following requirements:
  - a minimum offer size of 1MW and quoted in \$AUD/MWh;
  - must at a minimum cover 18:00 to 21:00 ACDT for all weekdays (excluding South Australian declared public holidays) during an Obligation Period; and
  - be publicly listed on an approved central registry, exchange or trading platform. Proponents should assume that the ASX will be an approved exchange.
- requires that entities must make a simultaneous offer to buy and sell the same contract.
- specifies a maximum bid spread for buy/sell offers, which will be at a minimum 5% or \$1/MWh (whichever is the highest) for all contract types, using the sell price as a basis.

The MLO is expected to be finalised in Q2 2026 by the Minister and the associated Minister's Guidelines will be published on the South Australia Department of Energy and Mining website.

## 1.7 FUEL COSTS DETERMINATION

Pursuant to Regulation 11(1)(d) of the SA FERM Regulations, the Scheme Regulator, is responsible for determining assessable costs under the FERMA in accordance with the Scheme Regulator's Guidelines, when considered by the Scheme Regulator to be reasonably required to protect the long-term financial interests of South Australian electricity consumers. This role is intended to be performed by the AER. Any references to the AER's role as Scheme Regulator in this document, is subject to a formal appointment.

For this purpose, the AER intends to prepare and consult on a Fuel Price Determination Guideline in Q2 2026. The purpose of the Fuel Price Determination Guideline will be to establish a mechanism for the AER to determine the Fuel Price for the purposes of calculating the Fuel Reimbursement under Schedule 2 of the FERMA.

In place of the Fuel Price Determination Guideline being available at the time of Tender Launch, Proponents of conventional (i.e. fuel-based) Facilities should assume that the Fuel Price Determination Guideline, as applicable, may prescribe the characteristics described in this section.



## Fuel Price Proposal

The Fuel Price Determination Guideline will require LDCPs to submit a Fuel Price proposal for a fuel price period (Fuel Price Proposal) by a due date specified in the Fuel Price Determination Guidelines, where:

- the fuel price period is expected to be a rolling three-year period (Fuel Price Period); and
- the due date is expected to be 12 months prior to the Required COD (in the case of the first Fuel Price Period) and 12 months prior to the end of a preceding Fuel Price Period (in the case of each Fuel Price Period after the first Fuel Price Period).

The Fuel Price Determination Guideline will specify the information to be included in the Fuel Price Proposal, which may include (but is not limited to):

- anticipated fuel requirements over the Fuel Price Period
- fuel sourcing risk management strategy, including details of relevant contracts and mitigation measures
- reasonable steps taken by the LDCP to reveal an efficient market price for fuel
- historic fuel sourcing strategy and fuel costs (where applicable); and
- any other information deemed relevant by the AER

Fuel Price Proposals may include both haulage/transport and commodity costs and may be expressed as a single rate or include variable and fixed components.

The Fuel Price Determination Guideline will not seek to restrict the contracting strategies that LDCPs may wish to use to secure fuel for the Facility.

## Fuel Price Proposal Review

The Fuel Price Determination Guideline will specify the process for the AER to review Fuel Price Proposals and request further information where required.

## Fuel Price Proposal Assessment

The Fuel Price Determination Guideline will outline the approach the AER will take in reviewing a LDCP's Fuel Price Proposal and assessing whether it reflects a prudent, efficient, and reasonable strategy aligned with the long-term financial interests of consumers.

The AER may consider the following factors in its assessment (among others):

- the LDCP's Fuel Price Proposal and associated fuel risk management strategy
- whether the LDCP has demonstrated that it has taken all reasonable steps to reveal an efficient market price for fuel
- other Fuel Price Proposals submitted for the same or earlier Fuel Price Periods
- other Fuel Price Proposals or variation proposals submitted for the same or earlier Fuel Price Periods
- alignment with the long-term financial interests of consumers
- current market prices and forward fuel prices

- previous spot market offers and bidding behaviour by the LDCP and other market participants
- relevant research produced by qualified analysts
- independent advice from expert consultants, if engaged
- benchmark price indices and forward prices; and
- any other matters the AER deems relevant

### **Fuel Price Determination**

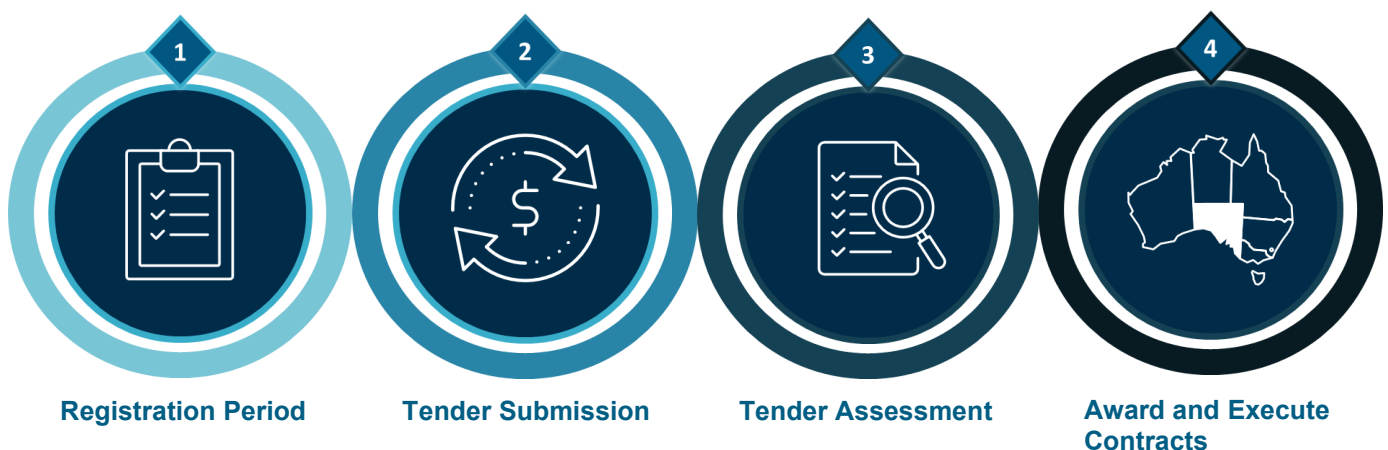
The Fuel Price Determination Guideline will specify the AER's obligations to provide Fuel Price Determination information to the FV as required to administer FERMA.



## 2. Tender Assessment and Process

This section outlines the tender and assessment process that applies to all Proponents. Without limiting the Tender Process may be changed or cancelled at the discretion of the Scheme Administrator, and any changes will be communicated via the Online Portal.

The Online Portal will store the information submitted by Proponents, which can be accessed and updated for future tenders. Proponents will only have access to their own information and not that of other Proponents. Proponents may request removal of their data if they do not intend to participate again, to manage data risk.



### 2.1 REGISTRATION

Registration is the first step in the tender process and must be completed before a Bid may be submitted. To register a Project, Proponents must create an account via the [Online Portal](#).

Once successfully registered, Proponents will be notified via the Online Portal of:

- any changes made to the relevant tender round process or timeline; and
- any clarifying or other information provided under the Q&A Process.

The period for registration will commence on 20 October 2025 and close on 21 November 2025 at 5:00pm ACDT.

## 2.2 BID SUBMISSION

### 2.2.1 HOW TO SUBMIT A BID

From Tender Launch, Proponents will receive access to the registration form via the Online Portal. To meet the requirements within the meaning of section 4.18 of these Guidelines, Proponents must submit via the Online Portal the following:

- Bid Form
- Returnable Schedules
- FERMA in accordance with section 6
- executed Tender Process Deed

The Scheme Administrator, in its absolute discretion, may exclude Bids not submitted in accordance with this section and before the Bid Closing Date and Time.

### 2.2.2 TENDER PROCESS DEED

Proponents seeking to participate in the Tender Round are required to enter into a deed to govern the terms of engagement during the tender process for the Tender Round (**Tender Process Deed**).

The Tender Process Deed must be executed and submitted on Bid submission and contains customary provisions regarding the tender process, obligations relating to the protection of confidential information and limitations of liability.

The Tender Process Deed also governs the arrangements for the provision of, and recourse to, the Security for Process Bond required on submission.

The Tender Process Deed will not be available until after the Tender launch. Proponents will be notified when the documents are available via the Online Portal.

Proponents should read Section 4.18 and 4.19 of these Guidelines in order to complete and execute the Tender Process Deed. If a submitted Tender Process Deed is incomplete or not properly executed, the Scheme Administrator may elect not to assess a Bid.

### 2.2.3 SECURITY FOR PROCESS BOND

Proponents will be required to provide a Security for Process Bond at the time of submitting their Bid. This bond is intended to mitigate the risk of a Proponent being selected in the Tender Round but subsequently failing to execute the FERMA that reflects their successful Bid.

The terms governing the Security for Process Bond are set out in the Tender Process Deed.

Unless otherwise agreed with the Scheme Administrator, the Security for Process Bond is calculated as an amount equal to:

- for conventional generation Facilities (including gas generation), \$4,000 per MW of intended registered capacity capped at \$800,000.
- for bidirectional Facilities, \$500 per MWh of energy storage capacity capped at \$800,000.

The Security for Process Bond must be provided in Sydney, NSW, unless otherwise agreed with the Scheme Administrator. Proponents will be required to provide the Security for Process Bond within 12 Business Days after Bid submission.

The Security for Process Bond must be in a form that is satisfactory to the Scheme Administrator. The requirements for the Security for Process Bond document are set out in the Tender Process Deed. The letter of credit or bank guarantee must be unconditional, irrevocable, and able to be drawn on demand upon presentation in Sydney at any time from the date that the Proponent submits the Bid through to the end of the Validity Period.

The Scheme Administrator may review the Security for Process Bonds prior to submission.

Subject to the terms of the Tender Process Deed, the Security for Process Bond will be returned to:

- a Proponent whose Bid has been withdrawn in accordance with Section 4.26 or Section 4.32;
- an unsuccessful Proponent in the Tender Round; or
- a successful Proponent who duly enters into the FERMA and provide the Early Termination Security (as required under the FERMA and described below).

In addition, where a successful Proponent is awarded a FERMA, further security for development and construction must be provided by the LDCP within twenty (20) Business Days of contract execution. This security serves as collateral in the event the LDCP fails to achieve COD by the Required COD, or comply with other specified obligations, as outlined in the FERMA.

## 2.2.4 DEFAULT AND ALTERNATIVE BIDS

Upon successfully submitting the registration form, Proponents will receive access to the Bid forms and Returnable Schedules needed to complete their Bids via the Online Portal.

### Default Bid

Proponents must submit their Default Bid which includes completed prescribed Returnable Schedules and marked up or compare versions of FERMA.

### Alternative Bid

To provide flexibility and encourage commercial innovation, Proponents may also submit one Alternative Bid in respect of the same Facility. An Alternative Bid is in addition to the Default Bid without additional Security for Process Bond requirements. The Alternative Bid may differ from the Default Bid by proposing different Bid Variables. Alternative Bids will be assessed against the same BACs.

An Alternative Bid may participate in a different Tender Category to a Default Bid by nominating a different Required COD.

Proponents must submit their Alternative Bid with a FERMA and Returnable Schedules for BAC3 that are separate to their Default Bid but submitted concurrently with the Default Bid. For clarity, the Alternative Bid cannot be used to modify Project configurations (as per Section 2.2.6 of these Guidelines) or commercial departures.

The Scheme Administrator may, at its discretion, amend or request that Proponents amend the permitted Bid Variables or number of Alternative Bids, during the tender process. In these cases, Proponents will be notified of the conditions and timeframe to prepare their Alternative Bids.

## 2.2.5 CONDITIONAL BIDS

Proponents may submit a Bid that is conditional on receiving confirmation that the matters (outlined in Section 4.31) are accurate for their Bid. These Conditional Bids must be made unconditional within twelve (12) Business Days after the Bid Closing Date and Time, via notification through the Online Portal. If not, the Bid may be automatically withdrawn from the Tender Process, in which case, it will no longer be considered by the Scheme Administrator.

## 2.2.6 FACILITIES AND AGGREGATED FACILITIES

Each Bid must relate to a single Facility or Aggregated Facility. Proponents are not allowed to submit a Bid that relates to more than one Facility or Aggregated Facility.

If an asset has more than one network connection point, it will typically be treated as a separate Facility. If a Proponent believes this may apply to their asset, Proponents should contact the Scheme Administrator with a description of their proposed configuration, which the Scheme Administrator will consider on a case-by-case basis.

An Aggregated Facility may be treated as a single Facility provided that it satisfies the criteria in the note on Eligibility Criteria 2.

## 2.2.7 DUPLICATIVE BIDS

Proponents must not submit a Duplicative Bid. A Bid will be considered a Duplicative Bid if it is in respect of essentially the same Facility as another Bid from the same Proponent or its Associates, where there are only changes to the configuration or design (such as storage duration or nameplate capacity). An Alternative Bid (as described in Section 2.2.4) is not a Duplicative Bid.

If a Proponent submits a Bid that is considered by the Scheme Administrator to be a Duplicative Bids, the Scheme Administrator will accept the compliant Bid that was submitted last. Any earlier submitted Duplicative Bid(s) will not be accepted and will not be assessed.

Changes to the identity or corporate structure of a Proponent or Bid Entity following registration will only be accepted if made in accordance with the Tender Conditions. The Scheme Administrator may, in its absolute discretion, impose additional requirements for such changes and require further information or execution of additional Tender Process Deeds by any relevant entities.

## 2.2.8 ACCURACY OF INFORMATION

The Proponent must provide accurate, complete and current declarations, warranties and information in all documents provided by them as part of this Tender Process, as outlined in Section 4.18 Submitting a Bid.

## 2.2.9 COMPLETENESS OF INFORMATION

Where a Bid contains incomplete or improperly formatted information or documentation, the Scheme Administrator may in its sole discretion request clarification or additional material. The Scheme Administrator may elect not to assess a Bid further where documentation is incomplete and/or not duly executed (in the case of deeds or agreements).

## 2.2.10 Q&A PROCESS

The Scheme Administrator will operate an online question-and-answer period (**Q&A Process**) to facilitate the Tender Round. Proponents may submit clarification questions to the Scheme Administrator no later than the Q&A Closing Date and Time.

Proponents should prepare any questions in a manner that does not disclose sensitive or confidential information. The Scheme Administrator will aim to answer questions within five (5) Business Days of receipt (subject to the number, materiality and complexity of questions received) and to share de-identified questions and clarifications with all Proponents (where appropriate).

Please note that the Scheme Administrator:

- is under no obligation to answer any question and, the Tender Conditions will govern any responses;
- will endeavour to make responses available to all Proponents (without identifying the party that submitted the relevant question); and

- understands that some specific questions or responses (e.g., regarding a particular Project) are sensitive and it would be appropriate not to circulate the response. If a Proponent does not wish a question or response to be made available to others, it must identify the question as 'Commercially sensitive – not for circulation', together with an explanation of why the information is Project specific and sensitive for the Scheme Administrator to consider. The Scheme Administrator may, in its discretion, decide whether to answer the question, including if a generic answer may still be given to all Proponents. The Scheme Administrator may seek probity advice to guide this decision.

## 2.2.11 LATE BIDS

A Bid received after the Bid Closing Date and Time (Late Bid) will only be accepted at the absolute discretion of the Scheme Administrator. For example, the Scheme Administrator may admit a Late Bid for assessment if:

- actions or omissions by the Scheme Administrator caused the delay in submission; or
- the Proponent can clearly document to the satisfaction of the Scheme Administrator that exceptional circumstances, outside of the reasonable control of the Proponent, caused the Bid to be lodged after the Bid Closing Date and Time.

## 2.2.12 EXTENSIONS

Extensions of time, including in relation to dates and times published in the Tender Process, may be granted at the absolute discretion of the Scheme Administrator.

## 2.2.13 OBLIGATION TO NOTIFY OF ERRORS

If, after any Bid has been submitted, the relevant Proponent (or any of its Associates) becomes aware of an error in the relevant Bid (including an error in pricing but excluding clerical errors that would have no bearing on the evaluation of the Bid), the Proponent must promptly notify the Scheme Administrator via the Online Portal of such error and must comply with any direction given by the Scheme Administrator to rectify the error.

## 2.2.14 CHANGES TO A BID

If a Proponent wishes to vary their Bid, they must notify the Scheme Administrator that they wish to withdraw their existing response and submit a replacement Bid prior to the Bid Closing Date and Time.

Changes to the identity or corporate structure of a Proponent or Bid Entity following registration will only be accepted if made in accordance with the Tender Conditions.

## 2.2.15 ADDITIONAL INSTRUCTIONS OR MATERIALS

The Scheme Administrator may, at its discretion, issue additional instructions or materials such as Returnable Schedules, guidance notes, or legal documentation before the relevant Bid Closing Date and Time via the Online Portal.

## 2.3 BID ASSESSMENT

The purpose of Bid assessment is to evaluate the Bids submitted by Proponents to develop a Ranked List of Projects that support the provision of long duration dispatchable electricity capacity to ensure secure, reliable and affordable electricity supply for South Australia. A single Ranked List is prepared across all Tender Categories.

The Scheme Administrator may exercise its discretion under Section 4.30 Discretions to reject, or refuse, or cease to consider, a Bid that fails to comply with these Tender Guidelines.

## 2.3.1 ASSESSMENT SCOPE

Each Proponent is responsible for ensuring that its Bid is completely self-contained, and addresses each of the Eligibility Criteria and Bid Assessment Criteria fully.

Bids should not rely on links to external documents or websites, and information available via any such links will not be viewed during assessment.

## 2.3.2 COMPLIANCE ASSESSMENT

If a Proponent submits a Bid that is materially inconsistent with these Guidelines or the Tender Process Deed, the Scheme Administrator may elect to not assess the Bid further.

## 2.3.3 CONFIRMATION OF ELIGIBILITY

Proponents must comply with the Eligibility Criteria. Proponents' Bids must continue to satisfy the Eligibility Criteria throughout the Validity Period and Proponents must promptly advise the Scheme Administrator of any changes to their compliance, as stated in the Tender Process Deed. Non-compliance with any of the Eligibility Criteria at any time will render a Bid ineligible. The Scheme Administrator may verify compliance with Eligibility Criteria at any time throughout the Tender Process, by requesting further information from the Proponent or by using third party sources.

## 2.3.4 BID ASSESSMENT CRITERIA

Only Bids that satisfy all of the Eligibility Criteria will be assessed and scored against the Bid Assessment Criteria. Proponents are required to provide evidence to support their responses to each of the Bid Assessment Criteria when submitting a Bid. Requirements for Bids including evidence and supporting documentation are outlined in the Bid Assessment Criteria.

Bids will receive a weighted score, using the weightings in against each BAC, to create a Ranked List.

## 2.3.5 DUE DILIGENCE

Due diligence may be undertaken on Bids at any time during the tender. Activities may include:

- commissioning or completing relevant research, analysis and modelling to support assessment of Bids;
- contacting any relevant Government, Assisting Entity or other relevant party in relation to a Bid, Project, Bid Entity or Proponent;
- seeking information from third parties (including relevant Government or Assisting Entities) to validate information provided by all Proponents relating to the progress of a Project and expected commissioning timeframes. This includes, but is not limited to, information from the relevant Network Service Provider (**NSP**), AEMO connections, the relevant local council and/or the State planning authority;
- in respect of Bids included in the Project Shortlist:
  - compliance by the Proponent (and the Bid Entity if different) and their direct and indirect owners with the Eligibility Criteria (and, in the case of the direct and indirect owners, as if the relevant direct or indirect owner was a Proponent or Bid Entity); and
  - confirmation of continuing compliance with the Eligibility Criteria;
- confirmation of compliance with any applicable requirements under *the Foreign Acquisitions and Takeovers Act 1975 (Cth)*, ACCC clearance under *Division IV of the Competition and Consumer Act 2010 (Cth)* and relevant work health and safety and other regulatory and government policy requirements; and



- enquiring into Proponent's practices regarding labour regulations, including ethical employment practices, workplace health and safety and environmental practices.

Bids that are the subject of adverse due diligence findings may be excluded from consideration, or, in respect of Bids included on the Shortlist, excluded from being selected as a Recommended Bid, at the absolute discretion of the Scheme Administrator. The Scheme Administrator may, but is under no obligation to, seek a response from a Proponent in relation to such an adverse due diligence finding prior to deciding whether to exercise its discretion to exclude a Bid from further consideration.

Proponents may be requested to provide additional information at any time, and FERMA may be amended by the Scheme Administrator to reflect issues or errors identified during due diligence.

## 2.4 NEGOTIATIONS

Following the conclusion of the Bid Assessment and after taking into account any requirements specified by these Guidelines, the Scheme Administrator may enter into negotiations with a shortlisted Proponents.

Any negotiations with shortlisted Proponents will be conducted by Scheme Administrator on its own behalf and not as agent of the FV. The Scheme Administrator does not and cannot bind the FV.

## 2.5 RECOMMENDATION

The Scheme Administrator may, after taking into account any requirements specified by the Minister's Guidelines or in a direction of the Minister under the SA FERM Regulations, and after consulting with the Minister, recommend to the FV that a FERMA be entered into with the Proponent (**Recommended Bids**). In making its recommendation, the Scheme Administrator must act independently in the long-term financial interests of South Australian electricity consumers and act in a commercially reasonable and prudent way.

Tender Category 1 is a key priority, and Bids in this category that are ready for acceptance on competitive terms, such as strong financial value or minimal commercial departures, may be recommended ahead of others through an accelerated process.

In developing the Recommended Bids, the Scheme Administrator may, at its discretion:

- Exclude Bids based on due diligence findings.
- Include lower ranked Bids or exclude higher ranked Bids from the Ranked List, in circumstances that may include (but are not limited to) the following:
  - Tender limits: to ensure the aggregated value of awarded LDC remains within any applicable limit set in a direction of the Minister to the Scheme Administrator. For instance, if awarding contracts to the highest-ranked Bids would exceed that limit, the Scheme Administrator may instead recommend a combination of Facilities that delivers optimal value to remain within any the applicable limit;
  - Required COD: a lower or similarly ranked Project with a Required COD, which is on or closer to the Target COD for the relevant Tender Category;
  - Policy objective: a lower or similarly ranked Project better aligns with the object in Regulation 3 of the SA FERM Regulations, to provide long duration dispatchable electricity capacity to ensure secure, reliable and affordable electricity supply for the State;
  - Risk profile: the Project has a lower overall risk profile (i.e. beyond the risks already assessed as part of the Bid Assessment Criteria) compared to other Facilities, including, but not limited to, high financial and/or delivery risks; and/or
  - SA electricity consumers: a lower-ranked Project may offer benefits that better support the long-term financial interests of South Australian electricity consumers.

- Exclude higher ranked Bids from the Ranked List, in circumstances in which the Facility, in conjunction with other Facilities, gives rise to:
  - technology, geographic, or Proponent concentration risks;
  - adverse community effects; and/or
  - significantly diminished benefits when considered collectively compared to the cumulative benefits of each Project when considered individually.

Recommendation by the Scheme Administrator to the FV does not guarantee award of a FERMA (see Section 4.35).

All unsuccessful Proponents may be offered an opportunity for a debrief in accordance with section 4.37.

## 2.6 EXECUTION

Successful Proponents must execute the FERMA with the FV. If that Proponent fails to execute the FERMA that reflects their successful Bid, the Security for Process Bond may not be returned in accordance with Section 2.2.3.



### **3. Assessment Criteria and Documentation**

This section outlines the information and supporting documentation requirements for each Eligibility Criteria and Bid Assessment Criteria.

## 3.1 ELIGIBILITY CRITERIA

To participate in SA FERM Tender Round 1, Proponents must meet the Eligibility Criteria outlined in Table 8 below.

**Table 9 Eligibility Criteria**

Ref	Criteria
<b>EC1</b>	The Facility's fuel source must not be coal or nuclear.
<b>EC2</b>	<p>The Facility must have a registered capacity of not less than 30 MW and must be capable of continually dispatching at its maximum capacity<sup>4</sup> for not less than 8 hours, for the entirety of the Operational Period.</p> <p><i>Note: This eligibility criteria does not preclude participation by a Facility that is composed of a number of aggregated assets (<b>Facility Components</b>) behind multiple physical connection points, where:</i></p> <ul style="list-style-type: none"> <li><i>a) the aggregated Facility is submitted as a single tender response; and</i></li> <li><i>b) the capacity requirement set out above is met by the Facility in aggregate; and</i></li> <li><i>c) each Facility Component has a registered capacity of over 10 MW and is capable of continually dispatching at its registered capacity for 8 hours, for the entirety of the Operational Period; and</i></li> <li><i>d) the Bid Entity has an operating protocol that enables all assets to be operated in the same manner as if it were a single asset located behind a single site connection point.</i></li> </ul>
<b>EC3</b>	<p>The Bid Entity must be:</p> <ul style="list-style-type: none"> <li>– a person who is required or intends to be registered by AEMO as a Generator / Integrated Resource Provider after the date of Tender Launch and prior to the Required COD; or</li> <li>– a person who: <ul style="list-style-type: none"> <li>- on or prior to the date of Tender Launch, has either: <ul style="list-style-type: none"> <li>○ notified AEMO under clause 2.10.1 of the NER that it wishes to terminate the existing classification of the Facility prior to 1 July 2028; or</li> <li>○ submitted a notice of intention to the Scheme Regulator that the person intends to withdraw from or exit the NEM, or otherwise cease to provide long duration dispatchable electricity capacity; and</li> </ul> </li> </ul> </li> </ul>

<sup>4</sup> The requirement that the Facility be capable of continually dispatching its maximum capacity for not less than 8 hours, for the entirety of the Operational Period is specified in item 10 of the Specifications in the Proforma FERMA. For clarity, the 'maximum capacity' referred to in this EC2 is the Committed Output Capacity.

Ref	Criteria
	<ul style="list-style-type: none"> <li>○ is recognised by the Minister as being equivalent to a ‘new designated electricity entity<sup>5</sup>’ (as defined in the SA FERM Regulations) on account of the substantial replacement of existing assets.</li> </ul>
<b>EC4</b>	<p>The Proponent must have submitted:</p> <ul style="list-style-type: none"> <li>(a) a request to ElectraNet for a connection options report/assessment or to SA Power Networks for a feasibility study or engineering report;</li> <li>(b) a connection enquiry; or</li> <li>(c) an application to connect,</li> </ul> <p>in respect of a network connection to the SA region of the NEM.</p>
<b>EC5</b>	<ul style="list-style-type: none"> <li>(a) The Facility has not previously been awarded a Capacity Investment Scheme Agreement and does not intend to bid for a Capacity Investment Scheme Agreement.</li> <li>(b) The Project is not in receipt of, and the Proponent does not intend for the Project to receive, financial support in the form of project capital support, periodic payments or revenue underwriting from the State or Commonwealth government.<sup>6</sup></li> </ul>
<b>EC6</b>	<p>The Bid Entity must nominate a Required COD which falls on or before:</p> <ul style="list-style-type: none"> <li>(a) for Tender Category 1: <b>1 November 2028</b></li> <li>(b) for Tender Category 2: <b>1 November 2029</b></li> <li>(c) for Tender Category 3: <b>1 November 2031</b></li> </ul>
<b>EC7</b>	<p>The Proponent, and the Bid Entity (if different to the Proponent) must:</p> <ul style="list-style-type: none"> <li>(a) at Bid Closing Date and Time, hold (or when established, will hold) an Australian Business Number (ABN), and comply (or when established, will comply) with all necessary authorisations that are material to the conduct of its business; and</li> <li>(b) be one of: <ul style="list-style-type: none"> <li>- an Australian entity incorporated under the <i>Corporations Act 2001 (Cth)</i>;</li> <li>- a Commonwealth entity under section 10 of the <i>Public Governance, Performance and Accountability Act 2013 (Cth)</i>;</li> </ul> </li> </ul>

<sup>5</sup> Under clause 4 of the Regulations, ‘new designated electricity entity’ means a person—

(a) who is required or intends to be registered by AEMO as a Generator or Integrated Resource Provider (other than, for the purposes of this paragraph, an existing designated electricity entity); or

(b) who is recognised by the Minister as being equivalent to a new designated electricity entity on account of the substantial replacement of existing assets.

<sup>6</sup> For this eligibility criteria, government financial support does not include:

- non-concessional funding provided by the Clean Energy Finance Corporation;
- market certificates (e.g., Large-scale Generation Certificates, Small-scale Technology Certificates, and Australian Carbon Credit Units) available to multiple projects; and
- development-phase grants (e.g., certain ARENA funding).

Ref	Criteria
	<ul style="list-style-type: none"> <li>- an Australian State or Territory owned (wholly or partly) corporation or a subsidiary of an Australian state or territory owned (wholly or partly) corporation; or</li> <li>- an Australian local government or council or an Australian organization that is purposed with representing and supporting local governments or councils.</li> </ul> <p><i>Note: In some limited circumstances, a legal entity other than those listed above may be accepted as an eligible Proponent or Bid Entity. Any other entity that wants to participate must seek approval from the Scheme Administrator prior to submitting a Bid, per the contact listed on the Scheme Administrator website<sup>7</sup></i></p>
<b>EC8</b>	The Proponent must not be named as an organisation on the Consolidated List maintained by the Australian Sanctions Office within the Department of Foreign Affairs and Trade.
<b>EC9</b>	<p>The Proponent must propose one Bid Entity to be the counterparty to the FERM Agreement, which may be the Proponent, and which must either be:</p> <ul style="list-style-type: none"> <li>(a) incorporated or existing prior to the Bid Closing Date and Time and nominated with the Proponent's Bid; or</li> <li>(b) nominated at any time after the Bid Closing Date and Time but prior to the execution of the FERMA, in which case it must satisfy the Bid Entity Criteria.</li> </ul> <p>From the time of nomination by the Proponent and until the execution of the FERMA, the Bid Entity must be a Special Purpose Vehicle (<b>SPV</b>) that:</p> <ul style="list-style-type: none"> <li>(a) itself satisfies all Eligibility Criteria;</li> <li>(b) only carries on the Project and conducts no other business;</li> <li>(c) subject to the terms of the Proforma FERMA, holds all the assets of the Project; and</li> <li>(d) is entitled to all the revenue, of the Facility.</li> </ul>
<b>EC10</b>	The Proponent must not be, or become, bankrupt, insolvent, or be in, or enter into, administration, receivership or liquidation, or take advantage of any statute for the relief of insolvent debtors at any time during the Tender Round.
<b>EC11</b>	The Proponent must not have had a judicial decision relating to employee entitlements made against it (not including decisions under appeal), where the Proponent has failed to pay any amounts required to be paid following that judicial decision.
<b>EC12</b>	The Proponent must not have been named as an organisation that has not complied with the <i>Workplace Gender Equality Act 2012 (Cth)</i> .
<b>EC13</b>	<p>The Proponent must comply with:</p> <ul style="list-style-type: none"> <li>(a) obligations under employment contracts, industrial agreements, and awards;</li> <li>(b) codes of conduct and practice relevant to conditions of service and to the relations between the Proponent and the employees employed by the Proponent; and</li> <li>(c) applicable Workplace Health and Safety legislation.</li> </ul>
<b>EC14</b>	The Proponent must not, within the previous 10 years, have been subject to an investigation by the Independent Commission Against Corruption SA, or an equivalent body in a jurisdiction in Australia, where a finding has been made against the Proponent in respect of a matter involving corruption in public administration (including where this results in disciplinary action by a public authority or conviction following prosecution for an offence).

<sup>7</sup> Proponents may also contact the Scheme Administrator at [SAFERM.Tender1@asl.org.au](mailto:SAFERM.Tender1@asl.org.au) to seek approval from the Scheme Administrator prior to submitting a Bid.

Ref	Criteria
<b>EC15</b>	If the Proponent is a 'reporting entity' under the <i>Modern Slavery Act 2018 (Cth)</i> the Proponent must have complied with its obligations under that Act, including (if applicable) registering a Modern Slavery statement with the Commonwealth Attorney General's Department.

## 3.2 BID ASSESSMENT CRITERIA

Proponents will be assessed against each of the following BACs and based on the evidence provided, in accordance with these Guidelines. An Alternative Bid will be assessed against the same BAC as the Default Bid.

It is the responsibility of the Proponent to ensure that its Bid addresses each of the listed BAC. Bids should not include links to external documents or websites, as they may not be reviewed during the assessment process.

### **BAC 1 – FACILITY DELIVERABILITY AND TIMELINE – WEIGHTING 20%**

**Scope:** Assess the Facility's current progress and the viability of its forward plan to achieve COD no later than Target COD for the relevant Tender Category. This includes:

- Facility Development Plan and Schedule
- Network Connection Application Progress (Other Utilities if required)
- Planning and Approval Status
- Status of Land Tenure
- Native Title and Cultural Heritage assessments and consents/approvals (if required)

Facilities which include multiple Facility Components will be assessed based on the least progressed Facility Component of the Project across the assessment elements of BAC 1, as noted at Table 8, EC2.

**Table 10 Components considered under BAC 1**

What is assessed	Characteristics of higher merit
<b>Facility development plan and schedule</b> <ul style="list-style-type: none"> <li>Progress towards achieving key development milestones and forward plan to deliver the Facility on or before 1 November 2028 for Tender Category 1, 1 November 2029 for Tender Category 2, and 1 November 2031 for Tender Category 3.</li> <li>The extent to which the Proponent can demonstrate the robustness of their Facility Development Plan and schedule. This includes how identified risks and mitigations have informed the plan.</li> <li>Where applicable, Foreign Investment Review Board (FIRB) approval progress, requirements and/or any foreign ownership</li> </ul>	<ul style="list-style-type: none"> <li>A credible Facility Development Plan and schedule that demonstrates COD on or before 1 November 2028 for Tender Category 1, 1 November 2029 for Tender Category 2, and 1 November 2031 for Tender Category 3.</li> <li>Credible development plan and schedule: The Facility Development Plan and schedule are informed by risks and issues identified in network connection approval, planning and environmental approvals &amp; land tenure, with schedules supported by industry benchmarks. If required, the development plan and schedule must include a fuel procurement strategy.</li> <li>Confirmation from the Proponent as to whether FIRB approval, or will be, required for or in connection the Facility with supporting information including the Proponent's (and, if the Bid Entity is different to the Proponent, the Bid Entity's), corporate structure, particularly in relation to any foreign ownership interests.</li> <li>Consideration of whether the Proponent, Bid Entity (if different to the Proponent) and each of their respective 'connected entities' (as that term is defined in the Competition and Consumer (Notification of Acquisitions) Determination 2025) have acquired or intend to acquire a business in order to complete the Project.</li> </ul>
<b>Network connection approval process</b> <ul style="list-style-type: none"> <li>Progress towards securing network connection for the Facility.</li> <li>Forward plan to secure remaining network connection milestones, including the extent to which connection approval risks and issues have informed the project development plan and schedule.</li> </ul>	<ul style="list-style-type: none"> <li>Network connection is well progressed (or executed) within the SA region of the NEM, and evidence has been provided. Credible forward plan provided for securing network connection for the Facility.</li> <li>Schedule integration: Facilities that have a realistic network connection pathway and milestone dates, with risks appropriately integrated into the schedule.</li> </ul>
<b>Other Utilities</b> <ul style="list-style-type: none"> <li>Evidence of gas pipeline enquiry or application (APA Group or AGIG), water access assessment (SA Water or local council), and communications planning for site operations.</li> </ul>	<ul style="list-style-type: none"> <li>Utility connections beyond electricity such as gas, water and communications are well progressed where relevant. Reliable forward plan for securing access and approvals aligned to facility delivery timelines.</li> </ul>



What is assessed	Characteristics of higher merit
<p><b>Planning and environmental approvals</b></p> <ul style="list-style-type: none"> <li>Overview of progress towards obtaining planning and environmental approvals for the Facility, including evidence - (DA application under the <i>Planning Development and Infrastructure Act 2016</i> or <i>Hydrogen and Renewable Energy Act 2023</i>, and if required, <i>Environment Protection and Biodiversity Conversation Act 1999</i> (Cth) approval). Forward plan for securing all remaining approvals &amp; key risks.</li> </ul>	<ul style="list-style-type: none"> <li>Planning and environmental approvals progress: Facilities that have obtained, or are close to obtaining, all necessary approvals or have a very robust plan to secure them.</li> <li>Schedule integration: Timelines, conditions and risks from planning and environmental approvals have been integrated into the schedule.</li> <li>Approval pathway: Facilities that have a clear pathway for resolving any ongoing concerns or queries of the authorities providing the requisite planning and regulatory approvals.</li> </ul>
<p><b>Land access</b></p> <ul style="list-style-type: none"> <li>Progress towards securing all required land tenure for the Facility and connection route, including the extent to which land tenure risks and issues have informed the Facility Development Plan and schedule.</li> </ul>	<ul style="list-style-type: none"> <li>Land tenure progress: Land tenure secured, for all of the Facility sites with evidence for all required land parcels including the connection route (where the connection route is the responsibility of the Facility).</li> <li>Land access strategy: Details regarding the land access strategy for the Facility and connection route.</li> </ul>
<p><b>Native title and cultural heritage</b></p> <ul style="list-style-type: none"> <li>If applicable, progress towards compliance with applicable Commonwealth and State legislation relating to First Nations communities and interests, Traditional Owner Groups and cultural heritage requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Native title: The Proponent has obtained and provides evidence of all valid native title land tenure rights for the Facility, including any connection route (where the connection route is the responsibility of the Facility).</li> <li>Cultural heritage: The Proponent has completed and provides evidence that cultural heritage assessments have been conducted for the entire footprint of the Facility, including any connection route (where the connection route is the responsibility of the Facility). The Proponent has obtained and provides evidence of the approvals required under applicable legislation in the jurisdiction where the Facility is located to disturb cultural heritage.</li> </ul>

## BAC 2 – ORGANISATIONAL & FINANCING CAPABILITY – WEIGHTING 20%

**Scope:** Assess the Proponent’s capability, contracting delivery model, development funding, and financing strategy to ensure it can deliver the facility. This includes:

- Track Record
- Contracting model and resourcing Development Funding
- Financing Strategy, offtakes and fuel procurement

**Table 11** Components considered under BAC 2

What is assessed	Characteristics of higher merit
<b>Track record</b> <ul style="list-style-type: none"> <li>• Project experience outlining comparable projects (top 3-5 most relevant), including delivery timeline, year completed, jurisdiction, safety records (evidence of any WHS incidents and records in the past 5 years), location, cost, size, technology, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Proponent (and/or its delivery partners) demonstrate a strong track record in successfully delivering comparable projects (scale, complexity, jurisdiction, technology, with the same or equally qualified delivery partners, similar stakeholders), with proof of an excellent safety record.</li> </ul>
<b>Contracting model and resourcing</b> <ul style="list-style-type: none"> <li>• Contracting model and resourcing SPV corporate structure diagram</li> <li>• Construction execution contracting strategy, and resourcing plan with succinct summary of skilled key personnel</li> <li>• Engagement with construction contractors and equipment manufacturers</li> <li>• The quality of the Proponent’s resourcing plan and personnel responsible for delivering the facility.</li> </ul>	<ul style="list-style-type: none"> <li>• Proponent (and/or its delivery partners) have a well-defined corporate and contracting delivery structure, and resourcing plan with experienced project delivery personnel in key roles.</li> <li>• Proponent has a clear resourcing plan outlining the availability of committed, qualified personnel for all development phases (including names and qualifications), with defined roles and responsibilities and access to a skilled talent pool for development, delivery, and operations.</li> <li>• Proponent has a robust and progressed contracting model with reputable key delivery partners, evidenced by progress in commercial negotiations or secured contracts.</li> <li>• Proponent has committed orders or option agreements on long-lead items such as gas turbines.</li> </ul>
<b>Development funding</b> <ul style="list-style-type: none"> <li>• Development funding status, including funding secured and sources of funding, remaining funding requirements through to Financial Close.</li> <li>• Ability to finance Early Termination Security, including evidence.</li> </ul>	<ul style="list-style-type: none"> <li>• Proponent has secured or has a clear pathway to secure required development funding for the Facility, through to Financial Close.</li> <li>• Proponent has a robust development phase budget and contingency allowance. Proponent has a clear strategy to finance all activities through to Financial Close.</li> <li>• Proponent has provided evidence of ability to provide Early Termination Security.</li> </ul>

What is assessed	Characteristics of higher merit
<b>Financing strategy, offtakes and fuel procurement</b> <ul style="list-style-type: none"> <li>• The proposed strategy to secure finance to deliver the Facility.</li> <li>• Ability and track record of Proponent to access, raise and secure capital (equity and debt) to achieve Financial Close and to deliver the Facility.</li> <li>• Any evidence of progress to offtake agreements (such as tolling agreements or network services) or negotiations.</li> <li>• For fuel-based generation: procurement approach and strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Proponent has a clear pathway and detailed steps to financing the delivery of the Facility.</li> <li>• Proponent has a demonstrated track record of funding or raising capital for similar projects.</li> <li>• Proponent has demonstrated progress in securing offtake agreements.</li> <li>• For fuel-based generation: Proponent provides evidence of its fuel procurement strategy and progress to fuel procurement.</li> </ul>

### BAC 3 – FINANCIAL VALUE – WEIGHTING 40%

**Scope:** Assesses forecast cost and potential cost exposure, as well as wholesale market and reliability benefits.

Several components of benefits and costs are expected to be assessed. This includes:

- For benefits: the Facility's Reliability Contribution, Wholesale Market Benefits and System Security Services; and
- For costs: the FERMA's Forecast Cost and Cost Exposure.

Collectively, these are referred to as '**Financial Value Components**'. The Financial Value Components are used in calculating Financial Value Metrics ('**Metrics**') which are used for scoring Bids under BAC 3.

**Table 12 Financial Value Components considered under BAC 3**

What is assessed	Characteristics of higher merit
<b>Reliability Contribution</b> <ul style="list-style-type: none"> <li>• This is the Facility's expected ability to mitigate reliability risks by reducing unserved energy in the SA region of the NEM.</li> </ul>	<ul style="list-style-type: none"> <li>• Located in strong areas of the network, or in areas of the network that are likely to enable the Facility to contribute to the reduction of unserved energy, it is expected that Reliability Contribution will be generally aligned with outcomes in near-term operating conditions shown in <a href="#">Figure 1</a> below.</li> <li>• Facilities with longer storage duration (above minimum duration requirement) are expected to provide higher absolute contributions to reliability, all else being equal.</li> </ul>
<b>Wholesale Market Benefits</b> <ul style="list-style-type: none"> <li>• This is the Facility's potential to reduce wholesale electricity costs in the SA region of the NEM.</li> </ul>	<ul style="list-style-type: none"> <li>• Located in strong areas of the network where the Facility is well-connected to load centres and can meet demand, particularly during periods of highest need.</li> <li>• Longer storage duration to lower wholesale prices during periods of extended high prices.</li> </ul>
<b>System Security Services</b> <ul style="list-style-type: none"> <li>• This is the Facility's capability to contribute to system security services which allow for the system to withstand disturbances and balance supply with demand.</li> </ul>	<ul style="list-style-type: none"> <li>• Ability to provide system security services and targeting the automatic access standard defined in the NER. This includes contributing to system strength (for example through use of grid-forming inverters or synchronous machines), voltage management, synchronous or synthetic inertia, frequency management and system restart capabilities.</li> </ul>
<b>Forecast Cost and Cost Exposure</b> Meaning the forecast cost to the FV and ultimately cost to SA electricity consumers under a FERMA, and the maximum liability under a FERMA assuming the Payment Cap is paid throughout the Operational Period, respectively. Forecasts of the potential Fuel Reimbursement costs for conventional generators will also be considered in Forecast Cost and Cost Exposure.	<ul style="list-style-type: none"> <li>• A low Revenue Floor relative to expected operational revenues.</li> <li>• A low Payment Cap to limit the Forecast Cost from the FV to the LDCP and reduce Cost Exposure.</li> <li>• Nominating several Operational Years as Excluded Operational Years, all else being equal.</li> </ul>

What is assessed	Characteristics of higher merit
	<ul style="list-style-type: none"> <li>Longer storage duration and a strong network location are expected to increase revenues for a Facility and reduce Forecast Cost, all else being equal.</li> <li>The Fuel Reimbursement costs for conventional generators will be considered in Forecast Cost and Cost Exposure. This may consider various fuel price forecasts and any information provided by the Proponent.</li> </ul>

The Metrics that are expected to inform scoring are outlined below. Reliability-Cost Ratio (**RCR**) and Wholesale Market Benefit-Cost Ratio (**BCR**) are expected to be the primary metrics for BAC 3 evaluation, supported by Cost Exposure and System Security Services. Facilities are expected to perform competitively across Metrics to achieve a high score in BAC 3.

The Metrics for scoring BAC 3 are expected to include:

- **Reliability-Cost Ratio**, which is calculated by dividing Reliability Contribution by Forecast Cost.
- **Wholesale Market Benefit-Cost Ratio**, which is calculated by dividing Wholesale Market Benefit by Forecast Cost.
- **Cost Exposure**, which is the maximum potential liability calculated by assuming the Facility is paid the Payment Cap throughout the Operational Period. An assessment of potential Fuel Reimbursement will also be considered as part of Cost Exposure.
- **System Security Services**, which is a metric which compares the ability of Facilities to provide system security services.

A higher value of all Metrics except Cost Exposure is preferred. A lower value of Cost Exposure is preferred.

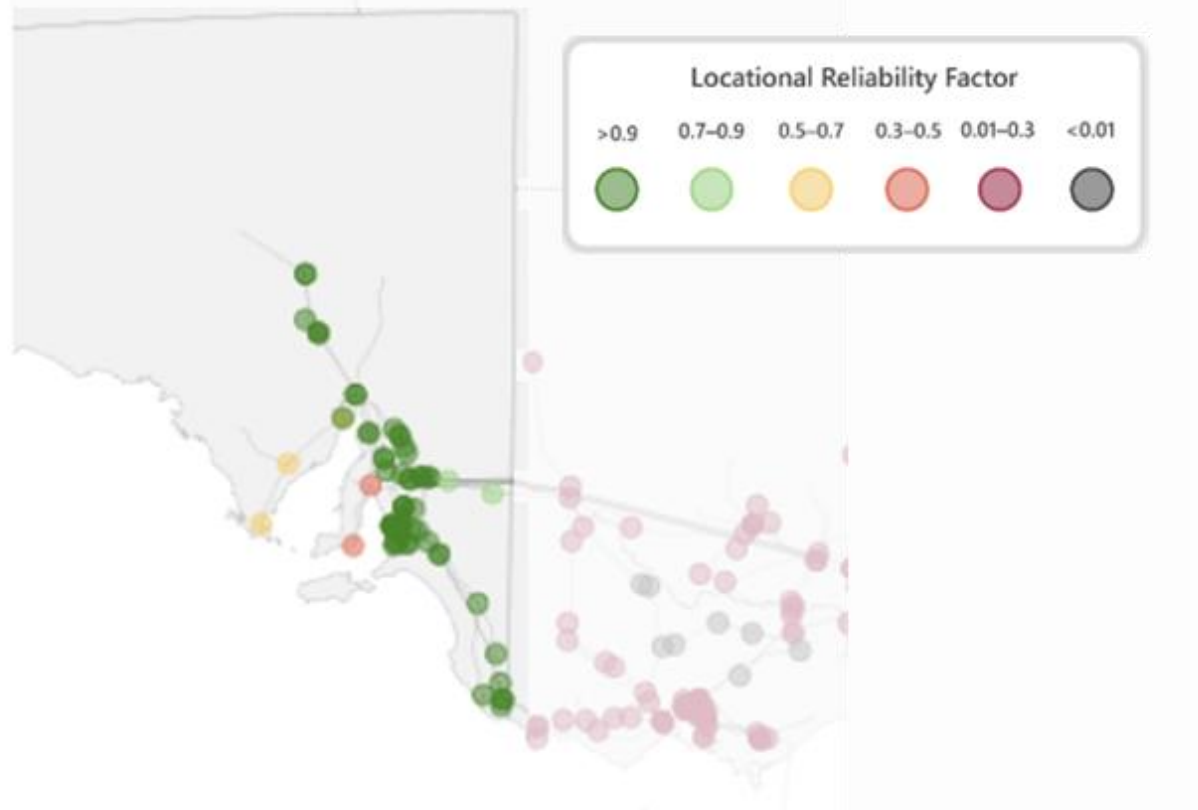
Financial Value Components and Metrics may be considered on an absolute or a per unit (i.e. per MW or per MWh) basis. Further Metrics than those above may also be considered but only where they are based on the Financial Value Components, are generally aligned with the intent of the Metrics listed above, and are developed to assess benefits, cost and financial risks of Bids.

Some LDCP Facilities may have a difference between their intended registered capacity and the Committed Output Capacity. It is expected that modelling of LDCPs may account for how an LDCP is intended to operate and participate in the market, but Forecast Cost and Cost Exposure will look to prioritise LDCPs with the lowest cost per MW of Committed Output Capacity and cost per MWh of Committed Storage Capacity.

## Reliability Contribution

This Financial Value Component reflects a Facility's expected impact on supporting reliability risks, by reducing unserved energy in the SA region of the NEM in the near-term. Assumptions and analysis are expected to be in line with AEMO's 2025 Enhanced Locational Information Report. The Reliability Contribution aims to reward Facilities that are expected to contribute the most to reducing SA's reliability risks. Locational Reliability Factors in SA in the near-term are shown in Figure 1 below.

Figure 1 Locational Reliability Factors for South Australia for the near-term operating conditions (based on Figure 69 of the 2025 ELI Report)



### **Wholesale Market Benefits**

This Financial Value Component captures the Facility's potential to reduce wholesale electricity costs and deliver market benefits in SA. Electricity market modelling is conducted to compare the wholesale price impact of the Facility against baseline scenarios of the future without the Facility. This is modelled in an Electricity Market Scenario where the average volatility or duration of volatility events may be higher than what is normally modelled in a base energy market model. Since weather variations impact both renewable generation output and consumer demand, multiple historical reference years may also be used to reduce the risk of basing the assessment on the weather patterns of a particular year.

### **System Security Services**

This Financial Value Component captures a Facility's capability to provide power system security benefits including system strength, voltage and frequency management, synchronous or synthetic inertia, and system restart capability.

### **Forecast Cost**

This Component considers the forecast cost to the FV and SA electricity consumers under a FERMA. This is calculated considering the:

- Bid Variables, including the Payment Cap, Revenue Floor, Revenue Sharing Cap and Excluded Operational Years,
- an estimate of the potential Fuel Reimbursements (with reference to one or many forecasts of fuel costs (\$/GJ)), and
- the forecast revenues of the Facility from energy market modelling which has considered the Facility Parameters.

This is modelled across the same Electricity Market Scenario (and weather reference years) considered for the assessment of Wholesale Market Benefits.

### **Cost Exposure**

The Cost Exposure is the maximum potential liability calculated by assuming the Facility is paid the Payment Cap throughout the Operational Period. An assessment of potential Fuel Reimbursement will also be considered as part of Cost Exposure.

### **Facility information to be provided by Proponents**

The table below describes the essential facility information to be given by Proponents when preparing their Bid.

**Table 13 Essential Facility information**

Information source	Proponents to provide – with evidence to support claims where applicable
Bid Variables	<ul style="list-style-type: none"> <li>Information about Bid Variables, including Payment Cap, Revenue Floor, Revenue Sharing Cap, Required COD, Excluded Operational Years.</li> </ul>
Facility Parameters (both bi-directional and conventional facilities)	<ul style="list-style-type: none"> <li>An expected date for achieving COD for the Facility, which may not be later than the Required COD.</li> <li>Information about LDCP location and connection point (including location and voltage level).</li> <li>Information about LDCP Facility parameters, including registered capacity (MW) or nameplate capacity (MW), Committed Output Capacity (MW), technology type and configuration.</li> <li>An expected design life for the Facility; and evidence to demonstrate why the design life is reasonable for the Facility.</li> </ul>
Additional Facility Parameters (bi-directional facility only)	<ul style="list-style-type: none"> <li>Information about storage capacity, including energy storage capacity (MWh), Committed Storage Capacity (MWh), maximum state of charge (%), minimum state of charge (%), and an annual degradation profile for the Facility and evidence to demonstrate why the selected degradation profile is reasonable for the Facility.</li> <li>Information about round-trip efficiency (%) and maximum annual average cycles per day.</li> </ul>
Additional Facility Parameters (conventional facility only)	<ul style="list-style-type: none"> <li>Information about fuel assumptions, including primary fuel type, fuel price estimate (\$/GJ), on-site fuel storage capacity, on-site gas reserve duration, continuous hours of full operation, other operational constraints on fuel supply, variable operations and maintenance costs (\$/MWh, excluding fuel cost).</li> <li>Information about auxiliary load (% of export capacity) and heat rate (GJ/MWh).</li> <li>Information about emissions (tCO<sub>2</sub>e/MWh sent out).</li> </ul>

### Aggregated Facilities

For Aggregate Facilities, the Financial Value Components for this BAC (e.g. Reliability Contribution) will be calculated and assessed on the sum of the individual Facility Components. Proponents will need to provide further information that allows for Aggregated Facility to be modelled, including the locations and configurations of the individual Facility Components.



#### BAC 4 – COMMERCIAL DEPARTURES – WEIGHTING 20%

**Scope:** Assesses the nature and impact of any commercial departures from the Proforma FERMA. The Proforma FERMA is intended to be offered substantially on an ‘as is’ basis. Departures should be limited to those critical to the Proponent’s technical requirements. Proponents should consider the impacts of changing the proposed risk position in the Proforma FERMA.

The commercial departures for any Alternative Bid must be the same as the commercial departures for the Default Bid.

The Scheme Administrator will assess any proposed departures and may cease assessing a Bid where departures, whether individually or collectively, are determined to materially alter the risk profile or exposure of the Financial Vehicle.

**Table 14** Financial Value Components considered under BAC 4

What is assessed	Characteristics of higher merit
Materiality of changes to risk allocation and additional administrative burden from what is set out in the Proforma FERMA.	<ul style="list-style-type: none"><li>• Bids that accept the Proforma FERMA with no changes to risk allocation (e.g. minimal to no departures from the Proforma FERMA).</li><li>• If departures are proposed, they will be assessed based on the nature and extent of each departure and its impact on:<ul style="list-style-type: none"><li>○ the ability for the FERMA to satisfy the definition for a ‘FERM contract’ under the SA FERM Regulations;</li><li>○ the commercial risk allocation, as well as any impact on the long term financial interest of South Australian electricity consumers;</li><li>○ the ability for the FV to administer the FERMA as contemplated by the SA FERM Regulations and supporting instruments;</li><li>○ consistency with other FERMA’s;</li><li>○ administrative burden and cost to the FV; or</li><li>○ consistency with any information that was submitted in the relevant Proponent’s Bid (i.e. Facility characteristics, Facility milestones).</li></ul></li></ul>



## 4. Tender Conditions

### 4.1 APPLICATION AND AGREEMENT TO COMPLY WITH TENDER CONDITIONS

Participation in the Tender Round is subject to compliance with the Tender Conditions.

All persons (whether or not they submit a Bid) who obtain these Guidelines may only use this document and the information contained in it, in compliance with the Tender Conditions.

By participating in the Tender Round, each Proponent (and each Consortium Member):

- a. is deemed to accept, acknowledge and agree:
  - i. to comply with the Tender Conditions and all applicable Laws; and
  - ii. that information provided to the Scheme Administrator during the

Tender Round is for the benefit of the Scheme Administrator and the FV; and

- b. must ensure compliance by its Associates with the Tender Conditions.

The Tender Conditions apply to:

these Guidelines and any other information given, received, or made available in connection with these Guidelines, including any revisions or Addenda;

the Tender Round and each Proponent's participation in the Tender Round; and

any communications, including any presentations, meetings or negotiations (whether before or after the release of these Guidelines), relating to these Guidelines or the Tender Round.

The Tender Conditions apply for the benefit of the Scheme Administrator, the Financial Vehicle and each of their respective Associates.

In addition to any other remedies available to the Scheme Administrator under Law or contract (including under the Tender Process Deed), any failure to comply with the Tender Conditions will, in the discretion of the Scheme Administrator, entitle it to terminate a Proponent's or a

Consortium Member's participation (or further participation) in the Tender Round.

## 4.2 INTERPRETATION

Except to the extent the context requires otherwise, in these Guidelines:

- a. 'includes' in any form is not a word of limitation;
- b. the meaning of 'or' will be that of the inclusive 'or', meaning one, some or all of a number of possibilities;
- c. headings are for convenience only and do not affect interpretation;
- d. the singular includes the plural, and the plural includes the singular;
- e. if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- f. a reference to a person includes a natural person, a firm, a company, a corporation, a body corporate, a trust, a partnership, an unincorporated association or a government agency and any successor entity to those persons;
- g. a reference to a time is to Australian Central Daylight Time (ACDT) time, as relevant;
- h. a reference to a party in the Tender Conditions or another agreement or document includes that party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal or personal representatives); and
- i. a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and all legislation, regulations, rules or statutory instruments under it.

To the extent of any inconsistency between these Tender Conditions and the remainder of the Tender Guidelines, these Tender Conditions will prevail.

## 4.3 NOT AN OFFER

These Guidelines are not an offer. It is an invitation for persons to submit a Bid only. These Guidelines must not be construed, interpreted or relied upon, whether

expressly or impliedly, as an offer capable of acceptance by any person.

Neither these Guidelines, nor a Bid submitted by a Proponent, has any contractual effect in relation to proceeding with the Project and does not create any contractual, promissory, restitutionary or other rights in that respect.

The Scheme Administrator Is under no obligation to complete the process outlined in these Guidelines or to recommend a Bid or a Project. The Scheme Administrator may change the process, or the description of the requirements outlined in these Guidelines by issuing an Addendum.

The Scheme Administrator's statutory functions do not include entering into or signing the FERMA. The Scheme Administrator is not an agent for the Financial Vehicle and cannot bind the Financial Vehicle to entering into or signing a FERMA.

The Scheme Administrator and its Associates will not be liable for any costs incurred by any person (including Proponents, Consortium Members or their respective Associates) in connection with or relating to considering this opportunity, submitting a Bid or otherwise participating in the Tender Round.

## 4.4 LIABILITY

To the extent permitted by law, and except as otherwise expressly provided in the Tender Conditions or Tender Process Deed, the Proponent (and each Consortium Member) and their respective Associates are not entitled to make any Claim against the Scheme Administrator or its Associates, or the FV or its Associates for any Liability incurred by them arising out of, or in connection with, the Tender Conditions or Tender Process Deed (including, without limitation, the exercise or non-exercise of the Scheme Administrator's, or FV's discretion), the Tender Round (including without any limitation, arising from any loss of data), the submission of (or failure to submit or decision not to submit) a Bid, the Disclosed Information, a failure to disclose information, or (where applicable) any inspections of any site related to the Project or the granting (or not granting) of any Approvals required or desired in relation to the Project (including in connection with any delay in progressing or securing any such Approval) or the making (or not making) of any recommendation in respect of any Proponent, its Consortium Members or their respective Associates.

The Proponent (and each Consortium Member) must indemnify, and must keep indemnified, the Scheme Administrator and each of its Associates, the FV and each of its Associates, from and against any Claim or Liability (including any Claim made by, or Liability to, a third party) suffered or incurred by the Scheme Administrator or any

of its Associates, or the FV or any of its Associates, (as the case may be) arising out of, or in connection with:

- a. any breach by the Proponent or a Consortium Member of the Tender Conditions or Tender Process Deed, including a failure to comply with the Tender Conditions or Tender Process Deed;
- b. any action or Claim brought by the Proponent, a Consortium Member or any of their respective Associates against the Scheme Administrator or any of its Associates or the FV or any of its Associates, with respect to any of the matters or events identified in this Section;
- c. (where applicable) any site inspection to the extent caused by the act or omission, including any negligence of, the Proponent, a Consortium Member or any of their respective Associates; or
- d. the Scheme Administrator exercising or failing to exercise, in whole or in part, its rights under the Tender Process Deed except to the extent that such Claim or Liability is caused by the Scheme Administrator or any of its Associates or the FV or any of its Associates.

To the extent permitted by law, without limiting the foregoing, Proponents, Consortium Members and their respective Associates represent and warrant that they will have no Claim, and will not bring any Claim, against the Scheme Administrator or any of its Associates or the FV or any of its Associates arising from or in connection with the exercise or the failure to exercise the rights or discretions of the Scheme Administrator in accordance with the rights and discretions set out in the Tender Documentation.

The Proponent, Consortium Members and their respective Associates each acknowledge and agree that the Scheme Administrator has relied on the representation and warranty set out above in deciding to consider a Bid.

Except to the extent the context requires otherwise:

- a. where the Proponent comprises more than one person or is a consortium, the obligations and liabilities of the Proponent, under the Tender Conditions or Tender Process Deed apply to the Proponent, and each Consortium Member jointly and severally;
- b. no rule of interpretation applies to the disadvantage of the Scheme Administrator on the basis that the Scheme Administrator put forward the Tender Conditions or Tender Process Deed; and
- c. if any of the Tender Conditions or Tender Process Deed purport to exclude Liability for a particular

matter, such exclusion only operates to the extent permitted by Law.

## 4.5 NO WARRANTY

Except to the extent otherwise required by Law, neither the Scheme Administrator, the Financial Vehicle, the Scheme Regulator, Minister nor any of their respective Associates:

- a. make any warranties or representations (express or implied), or assume any duty of care, or accept any Liability with respect to the completeness, accuracy, adequacy or correctness of the Tender Documentation or the Disclosed Information;
- b. make any warranty about whether (or in what form) any Ministerial directions, order(s) or regulatory or similar instruments will be made; and
- c. accepts responsibility or is liable for any loss or damage (whether foreseeable or not) however arising (including, without limitation, by reason of negligence or default), incurred by any person in connection with the Tender Documentation or any Disclosed Information, the Project, in preparing any Bid, or in the outcome of the Tender Round.

## 4.6 NO REPRESENTATION

No representation made by or on behalf of the Scheme Administrator, the Financial Vehicle or any of their respective Associates in relation to the Tender Round or its subject matter will be binding on the Scheme Administrator, the Financial Vehicle or any of their respective Associates unless that representation is expressly incorporated into any FERMA entered into in respect of the Project.

## 4.7 COMPLIANCE WITH PROTOCOLS

Each Proponent and Consortium Member must, and agrees to procure that each of its Associates will, comply with any and all protocols and procedures in relation to any data room, meetings, presentations, workshops, question and answer processes, or any other aspect of the Tender Round as set out in these Guidelines or otherwise

provided for by the Scheme Administrator in accordance with these Guidelines.

## 4.8 BONDING REQUIREMENTS

To ensure the integrity of the Tender Process, Proponents are required to make contractual commitments to participate in the Tender Round. These commitments will be collateralised by financial bonding in the form of a letter of credit or bank guarantee. Security for Process Bond (during Tender Round) and other bonding details are provided in the Tender Process Deed.

## 4.9 CONFIDENTIALITY

Unless publicly disclosed on the Scheme Administrator's website dedicated to the Tender Round, all Disclosed Information is confidential information about the Scheme Administrator, its Associates and its activities. This Disclosed Information is provided solely to enable Proponents, Consortium Members and their respective Associates to consider the opportunity and to prepare and submit Bids.

The Proponent or any Consortium Member must:

- a. ensure, at all times, that it and its Associates to whom the Proponent or Consortium Member has Disclosed Information in accordance with (a)(ii) below:
  - i. not use Disclosed Information except to consider the opportunity in the Tender Round and to prepare and submit Bids;
  - ii. only disclose Disclosed Information to any Associate who has a need to know (and only to the extent that each has a need to know) Disclosed Information to consider the opportunity in the Tender Round and to prepare and submit Bids; and
  - iii. keep strictly confidential all Disclosed Information;
- b. notify the Scheme Administrator immediately if it becomes aware of any unauthorised disclosure or use of the Disclosed Information; and
- c. immediately take all reasonable steps to prevent or stop any such unauthorised disclosure or use.

A Proponent, Consortium Member and each of their respective Associates must not disclose Disclosed

Information to any person who is involved with a Competing Proponent.

Proponents will be responsible for their own compliance with this Section 4.9 and any obligations of confidentiality contained in the Tender Process Deed, as well as the compliance of their Associates, Consortium Members and the Consortium Members' Associates.

At any time, the Scheme Administrator may request from the Proponent, the Consortium Members or any of their respective Associates a confidentiality acknowledgement in respect of any specific Disclosed Information, including in accordance with the Tender Process Deed.

The Proponent consents to the Scheme Administrator disclosing its name and any Project details to the Financial Vehicle, South Australian or Commonwealth Government, or ASL (in any of its capacities, including those other than Scheme Administrator) if the Proponent's Bid is expected to be successful, and it is expected to be awarded a FERMA in this Tender Round. The Scheme Administrator collects, uses and discloses Personal Information as set out in the Scheme Administrator's Privacy Policy (which is available on the Scheme Administrator's website and may be updated from time to time).

## 4.10 SCHEME ADMINISTRATOR INTELLECTUAL PROPERTY

Unless otherwise indicated in these Guidelines, the Scheme Administrator, its Associates, own such Intellectual Property Rights as may exist in the Tender Documentation and the Disclosed Information.

Proponents, Consortium Members and their respective Associates are permitted to use and copy these Guidelines and the Disclosed Information for the sole purpose of considering the opportunity set out in this Tender Round and preparing and submitting a Bid.

## 4.11 OTHERS TO BE BOUND

A Proponent and each Consortium Member must ensure that each respective Associate to whom they supply these Guidelines, and any Disclosed Information agrees to be bound by the Tender Conditions and complies with the Tender Conditions and any requirements under the Tender Process Deed (as applicable).

## 4.12 CONTINUING OBLIGATIONS

The obligations of a Proponent (and each Consortium Member and their respective Associates) under these

Tender Conditions survive the termination or expiration of the Tender Round and the Project.

## 4.13 REQUIREMENTS OF THE TENDER ROUND

Without limitation, each Proponent (and each Consortium Member) agrees to be bound by the requirements set out in the Tender Documentation in respect of participating in the Tender Round.

## 4.14 REQUESTS FOR CLARIFICATION AND FURTHER INFORMATION

If a person finds any discrepancy, error, or has any doubt as to the meaning or completeness of these Guidelines or the Tender Round, or requires clarification on any aspect of these Guidelines or the Tender Round, they may notify the Scheme Administrator in writing through the Q&A Process operated by the Scheme Administrator in accordance with Section 2.2.10 of these Guidelines, not less than seven (7) Business Days prior to the Bid Closing Date and Time (during the Bid preparation stage).

The Scheme Administrator may at Its discretion make deidentified questions and clarifications available to all Proponents. The Scheme Administrator may also publish an Addendum to all Proponents clarifying the discrepancy, error, doubt, or query (as the case may be) and may extend the relevant Bid Closing Date and Time if the Scheme Administrator considers it appropriate in all the circumstances.

The Scheme Administrator reserves the right not to respond to any question or request, irrespective of when it is received.

No representation or explanation to Proponents as to the meaning by the Scheme Administrator or its Associates of these Guidelines, or as to anything to be done or not to be done by the Proponent, will be taken to be included in these Guidelines, unless it is contained in an Addendum.

### Meetings with the Scheme Administrator

Notwithstanding the above, the Scheme Administrator may invite a Proponent, Consortium Member or any of their respective Associates to attend meetings with the Scheme Administrator, its Associates or an Authority during the Tender Round to discuss issues arising in relation to the preparation of a Bid, the Project or the Tender Round. If the Scheme Administrator requests a

meeting (whether the meeting is with the Scheme Administrator, its Associates or an Authority):

- a. the Scheme Administrator may prepare an agenda of items to be discussed;
- b. the meetings will be conducted in accordance with all probity and other procedures and protocols advised by the Scheme Administrator from time to time;
- c. the Scheme Administrator may decline to discuss any or all issues raised by the Proponent, Consortium Members or any of their respective Associates; and
- d. questions and responses at any meeting may be recorded in writing or by any other means on behalf of the Scheme Administrator, copies of which may only be provided to the Proponent at the Scheme Administrator's discretion.

Except to the extent that these Guidelines specify to the contrary, information provided at any time by the Scheme Administrator to the Proponent, Consortium Members or any of their respective Associates may be provided by or on behalf of the Scheme Administrator to a Competing Proponent.

Nothing which occurs at a meeting may be relied on by the Proponent, Consortium Members and their respective Associates unless subsequently confirmed in writing by the Scheme Administrator.

## 4.15 IMPROPER ASSISTANCE

Proponents, Consortium Members and each of their respective Associates must not:

- a. seek or obtain the assistance of the Scheme Administrator or its Associates in the preparation of a Bid; or
- b. lobby or otherwise take actions to influence the outcome of this Tender Round other than as permitted by these Guidelines.

In addition to any other remedies available to it under Law or contract (including under the Tender Process Deed), the Scheme Administrator may, in its discretion, immediately disqualify a Proponent, Consortium Member



or an Associate of either of them, that it believes has sought or obtained such assistance.

## 4.16 CONFLICT OF INTEREST

### Primary obligation in relation to conflicts of interest and notification requirements

A Proponent and each Consortium Member must not, and must ensure that their respective Associates do not, place themselves in a position that may or does give rise to an actual, potential or perceived conflict of interest between the Scheme Administrator and the Proponent's or Consortium Member's interests during the Tender Round.

Subject to and in accordance with Section 4.41 of these Guidelines, all notifications required to be made by Proponents and Consortium Members to the Scheme Administrator under this Section or otherwise in relation to a conflict of interest, must be made using, and in accordance with, the Conflict of Interest/Adverse Circumstances Notification Form available to registered Proponents on the Online Portal.

If any:

- a. actual, potential or perceived conflict of interest; or
- b. fact, matter or thing which may have an adverse effect on the Tender Round, probity or perception of probity,

arises in respect of the Tender Round or in respect of the Project, then the Proponent or Consortium Member, as relevant, must:

- c. promptly notify the Scheme Administrator of the actual, potential or perceived conflict of interest or adverse effect;
- d. provide sufficient detail to the Scheme Administrator as to the nature and extent of the conflict of interest or adverse effect, including any information reasonably requested by the Scheme Administrator in relation to the conflict of interest; and
- e. take any steps that the Scheme Administrator reasonably requires to address the conflict of interest or adverse effect.

### Conflicts of interest between Competing Proponents

Each Proponent (and each Consortium Member) acknowledges and agrees:

- a. that except as may be consented to by the Scheme Administrator in writing, (in its

discretion), the Proponent or Consortium Member (as applicable) is not and must not become a member of, or otherwise be involved with, a Competing Proponent;

- b. to immediately notify the Scheme Administrator if it receives confidential information of a Competing Proponent, (such notice to include the nature and extent of the confidential information); and
- c. that the Scheme Administrator has the right to exclude the Proponent and/or individual Consortium Members from the Tender Round for breach of this Section.

### Conflicts of interest regarding Associates

In addition to the primary obligation on Proponents and Consortium Members above in this Section 4.16, the Scheme Administrator may at any time during a Proponent or Consortium Member's participation in the Tender Round, request a list of any or all of a Proponent or Consortium Member's current:

- a. Debt or Equity Providers;
- b. third party suppliers;
- c. third party subcontractors; or
- d. Associates,

and the Proponent must provide the list or lists requested within two (2) Business Days of any such request by the Scheme Administrator.

Each Proponent (and each Consortium Member) acknowledges and agrees no Associate may be an Associate in respect of both the Proponent and any Competing Proponent, or both the Proponent and any of the Scheme Administrator or its Associates unless approved by the Scheme Administrator. If the Proponent becomes aware that an Associate of the relevant Proponent is also an Associate of a Competing Proponent or any of the Scheme Administrator, the Financial Vehicle or any of their respective Associates (**Shared Associate**), it must promptly notify the Scheme Administrator.

If the Proponent notifies the Scheme Administrator, or the Scheme Administrator notifies the Proponent, of a Shared Associate:

- a. the Proponent must, on written request from the Scheme Administrator provide written confirmation to the Scheme Administrator that all necessary protocols are in place in relation to information and personnel separation and ringfencing (for example, information barriers) that would reasonably be expected for persons

participating in a competitive tender process of this nature (Conflict Protocols); and

- b. the Scheme Administrator will confirm whether such Conflict Protocols have been implemented by the relevant parties to the Scheme Administrator's satisfaction,

in which case, the Shared Associate may continue to be an Associate of both the relevant Proponent and the Competing Proponent and/or the Scheme Administrator or its Associates (as applicable).

If at any time the Scheme Administrator rejects the Conflict Protocols, or the affected Proponent and/or Associate fails to observe such agreed arrangements, then the Scheme Administrator reserves the right (without limitation to any other discretion or action, including pursuant to the Tender Process Deed) to terminate the Proponent's or any Consortium Member's further participation in the Tender Round.

#### **Conflict of interest between the Scheme Administrator and a Proponent**

In addition to the primary obligation on Proponents and Consortium Members above in this Section 4.16, a Proponent or Consortium Member must promptly notify the Scheme Administrator of any relationship it or its Associate (including any Consortium Member) may have with any entity involved or connected with the Project or the administration of the Tender Round, any experts, consultants or advisers appointed by the Scheme Administrator for the purposes of evaluation during the Tender Round, and any entity involved in Scheme.

The Scheme Administrator may, in its discretion, decide not to evaluate (or not continue to evaluate) a Bid if the Scheme Administrator believes that the Bid was prepared (in whole or in part) by an Associate of a Proponent where that Associate:

- a. is or was an Associate of, or otherwise engaged by, the Scheme Administrator at any time during the twelve (12) months immediately preceding Tender Launch; or
- b. involved in the management of the Tender Round, or the preparation of any of the Tender Documentation or the FERMA, at any time.

Before the Bid Closing Date and Time, a Proponent or Consortium Member may request permission from the Scheme Administrator to have an Associate described above contribute to or participate in the Tender Round and/or preparation of a Bid. Where a Proponent or

Consortium Member makes such a request, the Scheme Administrator may, in its discretion, at any time:

- a. grant permission, whether with or without such conditions as the Scheme Administrator thinks fit; or
- b. refuse permission.

## **4.17 NO ANTI-COMPETITIVE CONDUCT**

Proponents, Consortium Members and their respective Associates must not engage in any collusion, anti-competitive conduct or any other similar conduct with any other person in relation to:

- a. any aspect of the Project;
- b. the preparation or submission of a Bid or the Bid of a Competing Proponent;
- c. the evaluation and clarification of a Bid or the Bid of a Competing Proponent; and
- d. the conduct of negotiations between the Scheme Administrator and the Proponent or a Competing Proponent, in respect of the Tender Round.

For the purposes of this Section 4.17 collusion, anti-competitive conduct or any other similar conduct may include access (or seeking access) to, disclosure, exchange and clarification of information whether or not such information is confidential to the Scheme Administrator, any Competing Proponent or any person or organisation.

Without limiting the foregoing, each Proponent and its Consortium Members each acknowledge and agree it must not attempt to obtain any advantage for itself by seeking information other than through the means set out in the Tender Documentation, or by attempting to influence any Associate of the Scheme Administrator in relation to the Project through any means apart from communications in accordance with the Tender Documentation.

In addition to any other remedies available to it under Law or contract (including under the Tender Process Deed), the Scheme Administrator may, in its discretion, immediately disqualify a Proponent, a Consortium Member or any of their respective Associates if that Proponent, Consortium Member or Associate (as applicable) has engaged in any collusion, anti-competitive



conduct or any other similar conduct in respect of the Tender Round.

## 4.18 SUBMITTING A BID

A Bid must meet the requirements for submission set out in these Guidelines and must be submitted using the Online Portal as specified in Section 2.2.1.

## 4.19 PROPONENT STRUCTURE, CONSORTIUM MEMBERS AND ASSOCIATES

Persons are permitted to form a consortium to participate as a Proponent.

The Proponent and each Consortium Member warrants that its Bid accurately identifies the Proponent (including its corporate structure and structure and membership of the Proponent), any Consortium Members, and their respective Associates.

Proponents are also required to nominate a Bid Entity in accordance with the Eligibility Criteria (see Section 4.1.1 of these Guidelines). This section outlines the requirements for a Proponent depending on its structure.

### **Where Bid Entity is known and available to participate in Tender Round**

Where the Bid Entity is incorporated and existing at the time of submission of the Bid (regardless of whether it is owned by a consortium or a single entity) then, in accordance with Eligibility Criteria 9, that Bid Entity is the Proponent for the purposes of these Guidelines and for entering into the Tender Process Deed.

### **Where the Bid Entity is not available to participate in Tender Round**

Where the Bid Entity is not incorporated and existing at the time of submission of the Bid (e.g., a special purpose vehicle is intended to be incorporated later in the Tender Round process), then:

- a. where no consortium ownership structure is proposed, the legal entity who registers in accordance with Section 2.3.3 will be (unless otherwise agreed with the Scheme Administrator) the Proponent for the purposes of the Tender Round and accordingly will enter into the Tender Process Deed; and
- b. where a consortium ownership structure is proposed, those Consortium Members (as the

Proponent) will enter into the Consortium Process Deed.

The Consortium Process Deed includes an election of one Consortium Member to provide the Security for Process Bond for and on behalf of the Proponent acting as a consortium.

## 4.20 CHANGE TO PROPONENT STRUCTURE, CONSORTIUM MEMBERS AND ASSOCIATES

The Proponent must notify the Scheme Administrator promptly in writing of any change in:

- a. the structure of a Proponent or Bid Entity including any change to a Consortium Member;
- b. the appointment, termination or replacement of an Associate of the Proponent or Bid Entity (and the notice must include details of the nature of the appointment); or
- c. the scope or terms of the appointment of an Associate of the Proponent.

As required by Eligibility Criteria 9, a Bid Entity that is nominated after the Bid Closing Date and Time must satisfy the Bid Entity Criteria.

All notifications required to be made by Proponents to the Scheme Administrator under this section or otherwise in relation to a change in Proponent structure, must be made using, and in accordance with, the General Notification Form available to registered Proponents on the Online Portal.

Upon receipt of any notice pursuant to this section, the Scheme Administrator reserves the right (without limitation to any other discretion or action, including pursuant to the Tender Process Deed) to:

- a. require the relevant parties to enter into a Consortium Process Deed or accession deed (as applicable) or to take any further action required by the Scheme Administrator (including providing any written acknowledgements as to the Proponent's structure or membership);
- b. assess the relevant change in circumstances and elect to terminate the Proponent's or any

Consortium Member's further participation in the Tender Round; and/or;

- c. invite the Proponent to amend its Bid accordingly.

Without limiting the above, following entry into the Tender Process Deed, changes to the Proponent's structure and/or to 'Proponent Consortium Member' (as that term is defined in the Tender Process Deed) must not be made without the Scheme Administrator's consent, and compliance (if applicable) with any requirement to enter into an accession deed or Consortium Process Deed (as applicable).

## 4.21 MATERIAL DISCLOSURES

The Scheme Administrator has received (and will continue to receive) advice and/or assistance in relation to these Guidelines, the Tender Round and the Project from Assisting Entities.

The Assisting Entities are likely to be involved in assisting the Scheme Administrator to assess Bids.

Each Proponent (and each Consortium Member) acknowledges and agrees that it has been made aware of the matters outlined in this section.

## 4.22 PROPONENTS TO PERFORM OWN DUE DILIGENCE

The Proponent, Consortium Members and their respective Associates must carry out all relevant investigations, make their own review and evaluation, and examine and acquaint themselves in respect of:

- a. all aspects of the Project and the requirements of the Tender Round;
- b. the contents, completeness, accuracy, adequacy and correctness of the Disclosed Information; and
- c. all information which is relevant to the risks, contingencies, costs, procedures and other circumstances related to the Project which could affect their decision to submit a Bid or the nature or terms of a Bid,

without reliance on the Scheme Administrator or any of its Associates.

Each Proponent (and each Consortium Member) acknowledges and agrees that, except where expressly stated otherwise, the Scheme Administrator, Financial Vehicle and their Associates have not verified the information contained in these Guidelines and the

Disclosed Information, and such information should not be regarded as a substitute for the exercise of their own judgement by each Proponent, Consortium Member and their respective Associates.

The Proponent, Consortium Members and their respective Associates may not in any way rely upon a failure by the Scheme Administrator or any of its Associates to provide any information. By participating in the Tender Round, including by submitting any Bid, the Proponent, Consortium Members and their respective Associates acknowledge and agree that they have not in any way relied upon information provided by the Scheme Administrator or by the Scheme Administrator's Associates or upon a failure by the Scheme Administrator or any of its Associates to provide information.

By submitting a Bid, a Proponent (including each Consortium Member) is taken to have:

- a. read and understood the requirements of the Tender Documentation;
- b. made all reasonable enquiries, investigations and assessment of available information relevant to the risks, contingencies, costs, procedures and other circumstances relating to the Tender Round and the Project; and
- c. satisfied itself as to the correctness and sufficiency of its Bid. These Guidelines do not constitute legal or business advice and should not be relied on as a substitute for obtaining detailed advice about the opportunity, the Tender Round, the NEM, the NER, Regulatory Instruments or any other applicable Laws, procedures or policies.

## 4.23 BIDS COMMERCIAL-IN-CONFIDENCE

The Scheme Administrator will retain all Bids and may copy and distribute at any time Bids for the purposes of conducting the Tender Round, including negotiation and evaluation of Bids, to support its due diligence and strategic risk assessment and to publish the terms of the FERMA on a de-identified basis.

Bids will otherwise be treated as confidential and will not be disclosed outside the Scheme Administrator unless it is:

- a. required or permitted by Law, or in the course of legal proceedings;
- b. requested by any Authority;
- c. to the Assisting Entities, or the Scheme Administrator or Financial Vehicle's insurers for

any purpose described in Sections 4.23 and 4.24 of these Guidelines; or

- d. included in reports produced by the Scheme Administrator, provided that where such reports are publicly available, Bids are de-identified.

## 4.24 USE OF BIDS

The Proponent (and each Consortium Member) grants the Scheme Administrator, Financial vehicle, Scheme Regulator and their respective Associates an irrevocable, perpetual, non-exclusive, transferable, free-of-charge licence to use, reproduce, develop, communicate, modify or sub-license the whole or any part of any Bid for the purposes of:

- a. assessing and negotiating Bids, supporting the Scheme Administrator's due diligence and strategic risk-assessment for any Tender Round, and otherwise facilitating a competitive tender pursuant to any Tender Round or the Scheme Administrator's rights and obligations under Regulatory Instruments;
- b. complying with its legal obligations;
- c. providing generalised learnings and improvements to any future tender processes, including any guidelines and other tender documentation, on a de-identified basis; and
- d. where the sub-licensee is an Authority, that Authority exercising its statutory functions.

The Proponent (and each Consortium Member) warrants that it has the authority to grant the licence contemplated in this section and the exercise by the Scheme Administrator or any person authorised by it in accordance with, or as contemplated by, the Tender Conditions will not infringe the Intellectual Property Rights or rights of any person. The Proponent (including each Consortium Member) must indemnify the Scheme Administrator, Financial Vehicle, Scheme Regulator and each of their Associates, and sub-licensees under paragraph c. above, against any Liability or Claim arising from any breach of the warranty in this section.

## 4.25 NO AMENDMENT

Subject to clause 4.20 and 4.36, a Proponent (or any Consortium Member) may not amend its Bid after it has been submitted, unless invited or requested to do so by

the Scheme Administrator and subject to the Tender Process Deed.

## 4.26 WITHDRAWAL OF BID

A Proponent (or any Consortium Member) who wishes to withdraw or revoke a Bid must immediately notify the Scheme Administrator of that fact. Upon receipt of such notification, the Scheme Administrator will cease to consider that Bid.

## 4.27 NO REQUIREMENT TO RETURN

Each Proponent (and each Consortium Member) acknowledges and agrees that the Scheme Administrator will not be required to return the Bid, or any documents, materials, articles and information submitted by the Proponent as part of, or in support of, its Bid.

## 4.28 NO REIMBURSEMENT OF COSTS

Neither the Scheme Administrator, the Financial Vehicle nor any of their respective Associates will be responsible for, and no Proponent or a Consortium Member (including their respective Associates) is entitled to be reimbursed for, any expense, liability, cost or loss incurred in connection with or related to considering the opportunity, the preparation and submission of a Bid, or participation in the final contract award stage, including (without limitation) any costs incurred in attending meetings with the Scheme Administrator or Financial Vehicle or providing any further clarification requested by the Scheme Administrator.

## 4.29 NO PUBLICITY

Except to the extent required by Law, or the binding requirement of a recognised stock exchange, a Proponent and its Consortium Members must not, and must procure that their Associates do not, make any public or media announcement or participate in or be party to any media reports in respect of these Guidelines, the Tender Round, the Project or a Bid, including their involvement in the Tender Round, or the outcome of this Tender Round, without the Scheme Administrator's prior written consent in its discretion.

## 4.30 DISCRETION OF THE SCHEME ADMINISTRATOR

Unless expressly provided to the contrary in the Tender Conditions, the Scheme Administrator may give, modify, withhold, withdraw, make or exercise any action,

approval, consent, decision or discretion or other function under the Tender Conditions at the Scheme Administrator's discretion, whether subject to conditions and at any time. Each Proponent, Consortium Member and their respective Associates acknowledges and agrees to the Scheme Administrator's right, at the Scheme Administrator's discretion, to:

- a. reject, refuse or cease to consider, or accept, any Bid that does not comply with the requirements of these Guidelines or the Tender Conditions or which is otherwise incomplete;
- b. suspend or terminate the Tender Round (providing such notice as is reasonably practicable), including any component of the Tender Round;
- c. elect not to further evaluate any Bid that fails to satisfy the Eligibility Criteria;
- d. reject or accept any Bid notwithstanding whether such Bid is the lower priced, higher ranked, or otherwise;
- e. make a recommendation (or not make a recommendation) in respect of any Bid at any stage of the Tender Round (including making a recommendation (or not making a recommendation) to award a FERMA to a Proponent which had (or did not have) the highest ranked Bid as against the Eligibility Criteria or the Bid Assessment Criteria) or make a recommendation that is subject to any terms and conditions that the Scheme Administrator may consider appropriate;
- f. accept or reject the whole or part of any Bid to the extent, in the case of part-acceptance, that part of the Bid is capable of such partial acceptance;
- g. suspend or terminate a person's participation in the Tender Round if the Scheme Administrator forms the view that the person (or their Associate) has breached or not complied with the Tender Documentation. For the avoidance of doubt, the Scheme Administrator is not obliged to exclude a Proponent or any other person from continued participation in the Tender Round in the event that a Proponent or any other person fails in whole or in part to comply with the Tender Documentation;
- h. require, request, receive or accept (whether requested or not) additional information, material, clarification or explanation from any Proponent or Consortium Member at any time and the Scheme Administrator may, at its sole discretion, take such information, material,

clarification or explanation into consideration in its evaluation of a Bid;

- i. if additional information is required by the Scheme Administrator pursuant to sub-paragraph (h) and not provided within the timeframe nominated by the Scheme Administrator (if any), continue to evaluate the Bid on the basis of the information available;
- j. waive any or all (in whole or in part) of the obligations of a Proponent, Consortium Members or their respective Associates (or a Competing Proponent or its Associates) under the relevant Tender Process Deed or the requirements under these Guidelines;
- k. consider and accept a Bid regardless of whether any Proponent, Consortium Member or any of their respective Associates has breached or not complied with any Tender Conditions and despite the existence of departures from the Guidelines or technical specifications for the Facility or Tender Conditions;
- l. vary or supplement any of the Tender Conditions or other aspects of these Guidelines;
- m. without limiting sub-paragraph (l), cancel, supplement, vary or amend the terms of any information, requirements, procedures, selection criteria and protocols relevant to the Tender Round having regard to probity requirements and advice;
- n. change the timing, order or application of any phase or process in the Tender Round;
- o. supplement, remove, add to or vary any part of the Tender Round;
- p. accept or reject a Bid which is submitted at any time after the relevant Bid Closing Date and Time or which is submitted otherwise than in accordance with these Guidelines;
- q. accept or reject any clarification question which is lodged by a person in respect of the Tender Round after the time and date specified, or otherwise in the manner specified, in these Guidelines as the Q&A Closing Date and Time for such questions or requests;
- r. extend any time or date specified in these Guidelines;
- s. call for new Bids;
- t. negotiate with any Proponent on any matter the Scheme Administrator may determine, including

allowing some Proponents to clarify, alter, amend, add to or change its Bid after the relevant Bid Closing Date and Time without offering the same opportunity to all Proponents;

- u. in evaluating any Bid or selecting a successful Proponent, have regard to:
  - i. past performance and corporate history of any Proponent, Consortium Member or any of their respective Associates;
  - ii. information concerning a Proponent, Consortium Member or their respective Associates which is in the public domain, or which is obtained by the Scheme Administrator or its Associates through its or their own investigations;
  - iii. information provided by a Proponent in response to a particular evaluation criterion for the purpose of evaluating other criteria;
  - iv. any other matters arising from investigations (including probity investigation) by the Scheme Administrator or its Associates, interviews with Proponents or Consortium Members, or responses to clarifications by Proponents or Consortium Members,

and without notifying the Proponent or a Consortium Member (if applicable) of that information;

- v. appoint or decline to appoint any number of successful Proponents or change Proponents at any time;
- w. require one or more of the Proponents to make a 'best and final offer';
- x. subject to any Laws, withdraw, cancel or modify (substantially or otherwise) a Tender Document or Proforma FERMA or any part of a Tender Document or Proforma FERMA;
- y. change the procurement method of the Project or any part of the Project in any way it sees fit and commence a new procurement process in relation to the Project on a similar or different basis to that outlined in these Guidelines, having regard to probity matters, if any;
- z. require the Proponent and any Consortium Member to enter into a Tender Process Deed;
- aa. require the Proponent or any Consortium Member to provide a performance security or

guarantee at the time the Proponent submits a Bid;

- bb. otherwise take any such other action as it considers appropriate in relation to the Tender Round; and
- cc. not attribute any reasons for any actions or decisions taken, including in respect of the exercise of any or all of the abovementioned rights and discretions.

## 4.31 BINDING BIDS

The Proponent (including each Consortium Member) acknowledges and agrees that:

- a. the Bid:
  - i. will constitute an offer from the time the Bid is submitted up to and including the last date of the Validity Period; and
  - ii. shall remain open for acceptance for the duration of the period referred to in Section 4.31(a)(i) notwithstanding that a Proponent is not appointed as the successful Proponent;
- b. the Bid Entity is prepared to enter into the FERMA to which it is proposed to be a party in the form of the documentation included in the Proponent's Bid;
- c. it has had full access to and fully considered, and satisfied itself of, all relevant legal, technical, accounting, commercial, financial and insurance advice and matters relevant to its decision to enter into such documentation; and
- d. it has provided all the necessary Tender Documentation.

## 4.32 REQUISITE APPROVAL

A Proponent may submit a Bid that is conditional on receiving approval for the matters set out in Section 4.31(a) and Section 4.31(b) are accurate for its Bid (Conditional Bid), subject to the terms of this section. If a Proponent submits a Conditional Bid, then, unless:

- a. the Proponent notifies the Scheme Administrator in the Bid Form via the Online Portal that its Conditional Bid has become unconditional, and

accordingly that Section 4.31 applies in full to the Bid;

- b. the notification is received by the Scheme Administrator prior to 5:00 pm ACDT on the day that is twelve (12) Business Days after the Bid Closing Date and Time (Conditional Closing Date); and
- c. the notification does not seek to make any changes, alterations or amendments to the Conditional Bid, other than to confirm the Bid has become unconditional in accordance with this section.

The Proponent's Bid will be automatically withdrawn from the Tender Process on the Conditional Closing Date and the Scheme Administrator will cease considering the Bid. Proponents will be notified to this effect via the Online Portal.

### 4.33 SCHEME ADMINISTRATOR RIGHT TO IMPOSE ADDITIONAL REQUIREMENTS

Without limiting Section 4.30, the Proponent, their Consortium Members and their respective Associates acknowledge and agree that the Scheme Administrator may impose additional obligations, including:

- a. issuing Addenda to these Tender Conditions;
- b. requiring the execution of confidentiality and process arrangements; or
- c. issuing further procedures and timetables to the Proponent or any Competing Proponent and requiring the Proponent or any Competing Proponent to comply with the further procedures and timetables provided.

### 4.34 BID EVALUATION

These Guidelines may set out some but not all of the matters which, at the date of these Guidelines, the Scheme Administrator considers as or anticipates as being relevant in assisting the Scheme Administrator in its selection of a successful Proponent. Depending on the market response to the Tender Round and information in Bids, additional matters may become relevant and require investigation by the Scheme Administrator. If necessary,

the Scheme Administrator may seek further information from Proponents.

### 4.35 RECOMMENDED BIDS AND SUCCESSFUL PROPONENTS

Prior to the recommendation of Recommended Bids to the FV, the Scheme Administrator will finalise the necessary details of the FERMA based on the Recommended Bids in preparation for the final contract award stage. To facilitate this, the Scheme Administrator may require additional information from one or more Proponents or their Associates and their participation in meetings relating to the Tender Round. This stage of the process could include finalising documentation with either the Scheme Administrator, or the FV (as applicable). Where applicable, the Proponent and their Associates must use reasonable endeavours and provide all reasonable assistance to finalise the FERMA. The selection of a Recommended Bid does not constitute an acceptance of the Bid submitted by the successful Proponent and is without prejudice to the Scheme Administrator's rights to finalise the FERMA, or the FV's right to enter into the FERMA with any other Proponent or any other person.

### 4.36 MATERIAL CHANGE IN CIRCUMSTANCE

The Proponent must notify the Scheme Administrator promptly in writing:

- a. of any event which may affect or have an impact on the financial position or capacity of the Proponent or any Consortium Member or the ability of the Proponent or Consortium Member to continue to participate in the Tender Round or comply with the Tender Conditions;
- b. of any circumstances which may affect the completeness, accuracy, adequacy or correctness of any of the information provided in, or in connection with, the Bid or the Proponent's (or any Consortium Member's) participation in the Tender Round; or
- c. if, after lodgement of its Bid, there is a change in control (as that term is defined in Section 9 of



the *Corporations Act 2001* (Cth)) of the Proponent or any Consortium Member.

Upon receipt of any notice pursuant to this section, the Scheme Administrator reserves the right (without limitation to any other discretion or action) to:

- a. assess the change and terminate the Proponent's or any Consortium Member's further participation in the Tender Round; or
- b. invite the Proponent to amend its Bid accordingly.

## 4.37 DEBRIEFING AND DISCLOSURE

The Scheme Administrator, at its discretion, may (but is under no obligation to) debrief any unsuccessful Proponent (and any Consortium Member) as to the Scheme Administrator's evaluation of that Proponent's Bid. Any such debriefing will focus solely on the Proponent's Bid and will not reveal any information that could compromise the Tender Round or any future Tender Round (including any participants therein).

The Scheme Administrator is under no obligation to give any reason for the non-acceptance of that Proponent's Bid. The Scheme Administrator is under no obligation to disclose to any Proponent (or any Consortium Member) or any of their respective Associates, any discussions or negotiations the Scheme Administrator has had with any other Proponent or any amendments, additions or other changes the Scheme Administrator has allowed any other Proponent to make to its Bid, and is not obliged to enter into similar discussions or negotiations with the Proponent or allow or require amendments, additions or changes to be made to its Bid.

## 4.38 SUPPLEMENTS AND ADDENDA

Each Proponent (including each Consortium Member) agrees that:

- a. at any time during the Tender Round, the Scheme Administrator may, at its discretion, amend these Guidelines (including the Tender Conditions), by issuing an Addendum; and
- b. the Proponent must prepare its Bid to take into account and reflect the content of any such

Addendum to the extent applicable to the Product subject of the Bid.

## 4.39 PRICE BASIS, ENGLISH LANGUAGE AND METRIC UNITS

All costs and prices stated in a Bid must be in Australian dollars and exclude GST (where applicable). The Scheme Administrator will not accept Bids that contain costs and prices that are subject to variation because of fluctuations in currency exchange rates. Proponents are required to accept the risk of fluctuations in currency exchange rates.

Bids and all communications with the Scheme Administrator must be in English. All dimensions and units on plans and drawings and all references to measurements must be in metric units.

## 4.40 SEVERABILITY

If any provision of the Tender Conditions is held to be invalid, unenforceable or illegal for any reason, the Tender Conditions shall remain otherwise in full force and effect apart from such provision which shall be deemed deleted only to the extent required to remedy such invalidity, unenforceability or illegality.

## 4.41 COMMUNICATIONS

Communications from the Proponent (and/or any Consortium Member) to the Scheme Administrator will be managed (as applicable) through the Online Portal and subject to these Guidelines and probity requirements. Communications or notifications to the Scheme Administrator must be made (as applicable) through the Q&A Process, General Notification Form or Conflict of Interest / Adverse Circumstances Notification Form, or other means as notified by the Scheme Administrator from time to time during a Tender Round, which will be made available to registered Proponents only through the Online Portal (unless otherwise notified by the Scheme Administrator during a Tender Round). For the avoidance of doubt, the submission of a Bid in accordance with Section 2.2 does not constitute a communication to the Scheme Administrator for the purposes of this section.

The Proponent and any Consortium Member acknowledges and agrees that it will not, and that it will ensure that its Associates do not, make contact with the Scheme Administrator or any of its Associates to make enquiries of, discuss or make any disclosures in respect of

any aspect of the Project or the Tender Round, otherwise than in accordance with these Guidelines.

#### **4.42 PROBITY AND CONFIDENTIALITY OBLIGATIONS**

It is a condition of any Proponent's participation (and each Consortium Member's participation) in the Tender Round that the Proponent (and each Consortium Member) makes the commitments in relation to probity and confidentiality as set out in the Tender Process Deed

and that they comply with those commitments in their conduct pursuant to and for the duration of the Tender Round (except for any confidentiality obligations, which are ongoing and will extend beyond this Tender Round).

#### **4.43 GOVERNING LAW**

These Guidelines and the Tender Round are governed by the laws applying in the State of South Australia. Each Proponent (and each Consortium Member) must comply with all relevant Laws and Approvals in preparing and submitting its Bid and in taking part in the Tender Round.





## 5. Regulatory Context

### 5.1 KEY INSTRUMENTS

This section outlines the key regulatory instruments that guide the conduct of this Tender Round, summarising how each contributes to the Scheme Administrator’s responsibilities and decision-making. The information contained in this section is provided for general guidance only. Proponents are advised to undertake their own due diligence and seek independent legal or technical advice as appropriate before relying on any part of it.

**Table 15 Key Instruments**

Regulatory consideration	Relevance to Tender Rounds
<a href="#">SA FERM Regulation</a>	Legislative instrument made under the <i>National Electricity (South Australia) Act 1996</i> (SA). It establishes the Firm Energy Reliability Mechanism, enables the Minister to set the Firm Energy Target and issue guidelines, defines the functions of the Scheme Administrator, Financial Vehicle and other scheme entities, and prescribes processes for tenders, contracting, funding, and compliance (among other things).
<b>Ministerial Direction</b>	Document issued by the Minister under SA FERM Regulation 24(1) to the Scheme Administrator. It requires the conduct of a competitive tender to assist in meeting the Firm Energy Target and specifies requirements for tender categories and targets, timing, eligibility and bid assessment criteria, contract terms, due diligence, market engagement, and publication of outcomes.
<b>Risk Management Framework</b>	<p>A Risk Management Framework<sup>8</sup> has been developed by the Scheme Administrator that binds the FV, as the SA FERM Scheme Administrator, as required by the direction of the Ministerial direction in accordance with SA FERM Regulation 10(1)(f) to protect the financial interests of SA electricity consumers:</p> <ul style="list-style-type: none"><li>• in connection with the risks associated with FERM contracts; and</li><li>• otherwise in connection with the functions of the Financial Vehicle.</li></ul>

<sup>8</sup> Subject to the AER's formal appointment and approval of the RMF as Scheme Regulator (as at the date of publication of these Tender Guidelines)

## 5.2 SCHEME ENTITIES

### 5.2.1 SCHEME ADMINISTRATOR

ASL, has been appointed as a Scheme Administrator under Regulation 9(1)(a) of the SA FERM Regulations and has been directed by the Minister to undertake Tender Round 1. In this role, ASL is responsible for:

- Designing and running competitive tenders to procure long duration dispatchable electricity capacity to assist in meeting the Firm Energy Target.
- Applying Tender Categories and Tender Targets.
- Determining Bid eligibility using the Eligibility Criteria and assessing Bids using the Bid Assessment Criteria and weightings provided through the Ministerial Direction.
- Assessing any proposed departures from the Proforma FERMA and, if required, managing negotiations with successful Proponents.
- Conducting due diligence to support timely execution of contracts by the FV.
- Recommending Bids to the FV for execution of a FERMA, including consulting with the Minister in accordance with Regulation 24(4).
- Maintaining transparency and accessibility by advertising the tender, providing Returnable Schedules, and operating a secure electronic portal for submissions.
- Ensuring compliance with all requirements in the Regulatory Instruments, including timing, documentation, and data protection standards.

### 5.2.2 SCHEME REGULATOR

Under Regulation 9(1)(b) of the SA FERM Regulations, the ESCOSA has been appointed as Scheme Regulator and the AER is expected to be appointed Scheme Regulator<sup>9</sup>. The Scheme Regulators are responsible for:

- Overseeing the operation and performance of the Scheme and scheme entities, including auditing the Scheme Administrator and Financial Vehicle where necessary (or at the direction of the Minister).
- Determining assessing costs under a FERMA in accordance with guidelines, when considered by the Scheme Regulator to be reasonably required to protect the long-term financial interests of South Australian electricity customers.
- Reviewing and approving the risk management framework developed by the Scheme Administrator.
- Issuing annual contribution determinations and contribution notices to Transmission Network Service Providers (TNSPs).
- Monitoring compliance with obligations under the Scheme and administering civil penalties.
- Requesting and receiving information from scheme entities and regulated entities to support its regulatory functions.
- Preparing and submitting consolidated annual reports on the scheme to the Minister, incorporating reports from other scheme entities.
- Conducting certain activities in relation to recognised electricity entity's NOI responses.
- Making guidelines relating to contribution determinations, reporting requirements, and other regulatory matters necessary for the effective operation of the scheme.

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<sup>9</sup> As at the publication of these Tender Guidelines

### 5.2.3 FINANCIAL VEHICLE

The FV is an entity appointed under Regulation 9(3) of the SA FERM Regulations, to carry out financial functions of the Scheme. The FV will be a trustee responsible for administering the Scheme trust, a statutory trust established by the SA FERM Regulations which comprises the Fund and FERM Contracts as the trust assets. Payments to a LDCP under a FERM Contract will be made from the Fund (and any money payable by a LDCP under a FERM Contract will be paid into the Fund).

Scheme costs, including payments made under FERM Contracts, are recoverable through the contribution determination and cost recovery mechanisms outlined in Parts 6 and 7 of the SA FERM Regulations. These provisions enable cost recovery via the TNSP, who can pass these costs through to consumers. This ensures that costs are equitably shared among all energy users, as the ultimate beneficiaries of the Scheme.

The Scheme Administrator is now conducting a procurement process to appoint a trustee, as the Financial Vehicle, to carry out the financial functions of the SA FERM Scheme.

The Financial Vehicle will have the following functions:

- Administer the Fund, including by managing the receipt and expenditure of funds (e.g., collect amounts due from TNSPs, make or receive cash payments under FERMA, pay administrative costs of Scheme Administrator and Scheme Regulator, etc.) in accordance with the Scheme.
- Enter into FERMA.
- Monitor and enforce contractual performance and compliance of LDCPs in respect of FERMA.
- Provide information to the Scheme Regulator in connection with the contribution determination processes associated with the Scheme, which may include compiling information that has been provided by other Scheme entities for this purpose and preparing forecasts of financial liabilities under the SA FERM Regulations.
- Prepare an annual report for the Scheme Regulator to provide to the Minister.
- Enter into, following recommendation from Scheme Administrator, bilateral contracts with existing generators.

At the time of writing, the Financial Vehicle has not yet been established but is intended to be established prior to the execution of the FERMA.



## 6. Contractual Documents

During the award stage, successful Proponents will enter into the FERMA – a contract made available by the FV to LDCPs providing LDC in South Australia. An updated Proforma FERMA will be provided to Proponents shortly after Tender Launch via the Online Portal.

Proponents must provide a FERMA in respect of a Default Bid and Alternative Bid (if applicable).

The contract departures submitted for a Bid will apply the same to both the Default Bid and Alternative Bid. It is not permitted for the Alternative Bid to submit different contract departures to the Default Bid.

For submission, Proponents are required to provide the FERMA in:

- a clean format in Word format, in a form ready for acceptance by the parties (i.e. requiring no further changes, including parties' details and execution blocks), excluding the following areas which may be left blank:
- any information in the FERMA which is identified as not requiring completion for the purposes of a Bid; or
- any details remaining to be completed by Scheme Administrator or the FV; or
- where the Bid Entity will be a SPV that has not been established at that time, the Bid Entity's details, execution block, and other details.

If any departures are proposed, a marked-up version of the FERMA, in Word format reflecting the completed departures table submitted by the Proponent.

# Glossary

This document uses many terms that have meanings defined in the National Electricity Rules (NER). The NER meanings are adopted unless otherwise specified.

Unless otherwise defined in the glossary below, all terms defined in the SA FERM Regulations apply in this document.

Term	Definition
Addendum	Any document issued by the Scheme Administrator after the date of these Guidelines and labelled as an “Addendum” to these Guidelines; collectively known as “Addenda”
AEMO	Australian Energy Market Operator Limited (ABN 94 072 010 327)
AER	Australian Energy Regulator
Aggregated Facility	An asset that is composed of multiple Facility Components with multiple physical connection points
Alternative Bid	As defined in Section 2.2.4 of these Guidelines
Approvals	Any approvals, authorisations, permits, consents, licences, registrations, determinations, certificates, permissions, exemptions and the like from any Authority or under any Law required to be issued, obtained or satisfied in connection with the performance by the successful Proponent of its obligations under the FERMA
ASL	AusEnergy Services Limited (ABN 59 651 198 364)
Assisting Entities	Assisting Entities means: <ul style="list-style-type: none"> <li>• AEMO;</li> <li>• The South Australian Department for Energy and Mining (DEM)</li> <li>• ElectraNet (the SA jurisdictional transmission planner);</li> <li>• Distribution Network Service Providers (DNSPs);</li> <li>• The Financial Vehicle;</li> <li>• The Scheme Regulator; and</li> <li>• The Scheme Administrator’s Associates, including, without limitation, King &amp; Wood Mallesons, Ernst &amp; Young, GHD, Endgame Economics and other consultants advised from time to time by the Scheme Administrator on its website or by direct communication to Proponents, and other legal, technical or commercial advisors from which the Scheme Administrator seeks support in relation to a Tender Round</li> </ul>
Associates	In relation to a person, any Related Body Corporate of that person or any officer, employee, agent, contractor, consultant, nominee, licensee, or adviser of that person or that Related Body Corporate and: <p>In the case of a Proponent, includes:</p> <ul style="list-style-type: none"> <li>• each Consortium Member and any Related Body Corporate, adviser, officer, employee, agent, contractor, consultant, nominee, licensee or adviser of a Consortium Member; and</li> <li>• any Debt or Equity Providers (in respect of the Project) and any Related Body Corporate, adviser, officer, employee, agent, contractor, consultant, nominee, licensee or adviser of each Debt or Equity Provider (in respect of the Project).</li> </ul> <p>In the case of the Scheme Administrator, or the FV, any officer, employee, agent, contractor, consultant, nominee, licensee or adviser of that entity but does not include Proponents or Consortium Members. In the context of clauses 4.54.5(c), 4.64.6, and 4.94.9, also includes the State of South Australia.</p> <p>In this definition, ‘Related Body Corporate’ has the meaning given in Corporations Act , but on the basis that: (a) ‘subsidiary’ includes an entity that is part of the consolidated entity constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares, or would be if the first entity was required to prepare consolidated financial statements.; and (b) a trust may be a ‘related body corporate’ (for the purposes of which a unit or other beneficial interest may be regarded as a ‘share’).</p>
Australian Central Daylight Time (ACDT)	Australian Central Daylight Time (ACDT) covers the state of South Australia and the town of Broken Hill in western New South Wales during daylight saving time. ACDT is equal to Coordinated Universal Time plus 10.5 hours (UTC +10.5).
Authority	Any government department, local government council, government or statutory authority, body, instrumentality, minister, agency or other authority exercising administrative or regulatory functions
Bid	Bid submitted by Proponents in a Tender Round
Bid Assessment Criteria (BAC)	Bid Assessment Criteria as set out in Section 3.2 of these Guidelines
Bid Closing Date and Time	The closing date and time for Bid submission as set out in the ‘Important Dates’ section these Guidelines.

Term	Definition
Bid Entity	The legal entity to be responsible for the Proponent's Bid, Early Termination Security, and being counterparty to the FERMA, as proposed by the Proponent in accordance with Eligibility Criteria in Section 3.1.
Bid Entity Criteria	<p>The Bid Entity must be:</p> <ol style="list-style-type: none"> <li>a New Entity; and</li> <li>either: <ul style="list-style-type: none"> <li>be directly 100% owned by the Proponent (or, if not directly owned, all entities, trusts and trustees between the Bid Entity and the Proponent must be 100% indirectly owned by the Proponent and be New Entities); or</li> <li>have the same Australian Holding Company as the Proponent, and be directly 100% owned by that Australian Holding Company (or if not directly owned, all entities, trusts and trustees between the Bid Entity and the Holding Company must be 100% indirectly owned by the Holding Company and be New Entities).</li> </ul> </li> </ol>
Bid Form	The prescribed form available on the Online Portal that Respondents must complete and submit prior to the Bid Closing Date and Time.
Bid Variables	Elements of a Proponent's Bid that may be nominated and are assessed under BAC 3 – Financial Value in either a Default Bid or Alternative Bid, as defined in Section 3.2 of these Guidelines.
Business Days	A day other than Saturday, Sunday and any other day not taken to be a public holiday in Adelaide, Australia
Capacity Investment Scheme Agreement	A contractual agreement awarded under the Commonwealth Government's Capacity Investment Scheme
Claim	<p>Any claim, proceeding, action, cause of action, demand or suit (including by way of contribution or indemnity) made:</p> <ol style="list-style-type: none"> <li>in connection with the Tender Round, these Guidelines, the FERMA or the Project; or</li> <li>at law or in equity; or</li> <li>for specific performance, restitution, payment of money (including damages), an extension of time or any other form of relief</li> </ol>
COD	The commercial operations date, being the date on which the LDCP receives notice from FV that LDCP has satisfied all COD preconditions in accordance with the FERMA
Committed Output Capacity	The committed output capacity for the Bid that is submitted by a Proponent and will be inserted into Item 18 of the Reference Details in the FERMA
Competing Proponent	In respect of a Proponent, any person responding to these Guidelines or participating in the Tender Round other than the Proponent
Conditional Bid	As defined in Section 4.32 of these Guidelines
Conflict of Interest / Adverse Circumstances Notification Form	As defined in Section 4.16 of these Guidelines
Conflict Protocols	As defined in Section 4.16 of these Guidelines
Consortium Members	<p>Each of the following entities (which may form part of the Proponent) in their individual capacity:</p> <ul style="list-style-type: none"> <li>sponsor(s), including each 'Proponent Consortium Member' as that term is defined in the Consortium Process Deed; and</li> <li>any special purpose vehicle or entity that is intended to be the Bid Entity; and</li> <li>any additional entity included in the Proponent in accordance with the process set out in the Consortium Process Deed</li> </ul>
Consortium Process Deed	As defined in the Tender Process Deed in Section 2.2.2.
Corporations Act	The Corporations Act 2001 is an Act of the Parliament of Australia, which sets out the laws dealing with business entities in Australia
CPI	The Consumer Price Index (all groups Adelaide) as published by the Australian Bureau of Statistics
Debt or Equity Provider	Any actual or potential provider of debt or equity funding, facilities or accommodation directly or indirectly to the Proponent in relation to the Project, including any security trustee, bond trustee, agent, underwriter, arranger, financial guarantor, bond provider or hedge counterparty however described.
Default Bid	As defined in Section 2.2.4 of these Guidelines
Disclosed Information	The following information (of whatever nature, including written, graphical, electronic, oral or in any other form) which is disclosed to, or otherwise obtained by or on behalf of, the Proponent or Consortium Member or any respective Associate in connection with the Project or this Tender Round, including:

Term	Definition
	<ul style="list-style-type: none"> <li>these Guidelines and any information disclosed pursuant to these Guidelines (and other documents released as part of the Tender Round) as part of the Tender Round;</li> <li>any oral or written advice, representations or information given by or on behalf of the Scheme Administrator or any of their Associates during this Tender Round;</li> <li>all material contained in any data room used by the Scheme Administrator and the Proponents; and</li> <li>each Bid to the extent that it contains or would reveal any of the information referred to in the paragraphs above, any other information which the Proponent, Consortium Member or any respective Associate knows or ought reasonably to know is confidential, Scheme Administrator or any of their Associates or should be treated as such</li> </ul>
Duplicative Bid	A bid in respect of the same Project as another Bid from the same Proponent or its Associates, where there are only changes to the configuration or design (such as capacity or storage duration)
Early Termination Security	As defined in the Proforma FERMA
Eligibility Criteria (EC)	Eligibility Criteria as set out in Section 3.1 of these Guidelines
ESCOSA	Essential Services Commission of South Australia
Excluded Operational Years	The committed output capacity for the Bid that is submitted by a Proponent and will be inserted into Item 28 of the Reference Details in the FERMA.
Facility	Facility means the long duration electricity generation, storage or facility which is to: <ol style="list-style-type: none"> <li>be owned and operated by LDCP; and</li> <li>meet the Specifications,</li> </ol> and includes the utility connection assets.
Facility Components	Has the meaning given in the note in Eligibility Criteria 2.
Facility Development Plan	A progress report detailing how the Proponent will meet project milestones and COD, including scheduling, approvals, procurement, and anticipated challenges.
Financial Close	As defined in the Proforma FERMA
Financial Vehicle (FV)	The counterparty to the FERMA and responsible party for administering scheme payments
Financial Year	A financial year is a 12-month period from 1 July to 30 June.
FIRB	Foreign Investment Review Board
FERMA or FERM Agreement	A Firm Energy Reliability Mechanism Agreement that is the subject of this SA FERM Tender Round 1.
FERM	Firm Energy Reliability Mechanism
FERM Contract	Has the meaning given in the FERM Regulations. It is intended that the FERMA will qualify as a FERM Contract.
FET	Firm Energy Target as described in Regulation 7 of the SA FERM Regulations
Fuel Price	The deemed price of fuel that is used to determine the Fuel Reimbursement under the FERMA for conventional generators.
Fuel Price Determination	A determination in respect of Fuel Price for a Fuel Price Period, made by the Scheme Regulator in accordance with the Fuel Price Determination Guidelines.
Fuel Price Determination Guideline	A guideline published by the Scheme Regulator in relation to Fuel Price that is made pursuant to Regulation 11(1)(d) of the SA FERM Regulations.
Fund	Has the meaning given in the FERM Regulations.
General Notification Form	The form available on the Online Portal that registered Proponents must use to notify the Scheme Administrator of changes, as required under Section 4.20 of these Guidelines.
GST	Goods and Services Tax
Intellectual Property Rights	<p>All existing and future rights in the nature of intellectual property or industrial property (within the meaning of the term 'industrial property' in Article 1 of the Paris Convention for the Protection of Industrial Property) throughout the world, including:</p> <ul style="list-style-type: none"> <li>copyright;</li> <li>trade and service marks (whether registered or unregistered);</li> <li>designs (whether registered or unregistered);</li> <li>patents and inventions (whether or not patented or patentable);</li> <li>internet domain names;</li> <li>trade, business or company names; and</li> <li>confidential information and trade secrets,</li> </ul>

Term	Definition
	whether tangible or intangible, which incorporates, embodies or is based on any of the things referred to in the paragraphs above
Late Bid	As defined in Section 2.2.11 of these Guidelines
Law	Commonwealth, state, or local legislation, judicial, administrative, or regulatory decrees, judgments, awards or orders and all common laws and principles of equity and, for the avoidance of doubt, includes any Regulatory Instrument
LDC	Means ‘long duration dispatchable electricity capacity’ as defined in the FERM Regulations
LDCP	Long Duration Capacity Provider as defined in the SA FERM Regulations
Liability	Any loss, cost, liability or expense whether: <ul style="list-style-type: none"> <li>• arising from or in connection with any proceeding or Claim or not;</li> <li>• liquidated or not;</li> <li>• legal or equitable;</li> <li>• present, prospective or contingent; or</li> </ul> owed, incurred or imposed by or to or on account of or for the account of any person alone or severally or jointly with another or others
Market Liquidity Obligation (MLO)	Market Liquidity Obligation that LDCPs are required to comply with under the relevant legislation
Metrics	The financial value metrics which are used for scoring Bids under BAC 3
Milestone	As defined in the Proforma FERMA
Milestone Date	As defined in the Proforma FERMA
Minister	South Australian Minister for Energy and Mining
Ministerial Direction	As defined in Section 5.1 of these Guidelines
MW	Megawatt – instant availability (reliability during peak demand)
MWh	Megawatt hour – energy shifting and delivery (flexibility and balancing)
National Electricity Law	Means the National Electricity Law set out in the schedule to the National Electricity (South Australia) Act 1996 (SA), as it applies in South Australia.
NEM	National Electricity Market
NER	National Electricity Rules made under the National Electricity Law.
Net Revenue	As defined in the Proforma FERMA
New Entity	A Bid Entity which has been established after the date that the Proponent first submits its Bid.
NOI	The Notice of Intent process is one mechanism by which recognised electricity entities make a Capacity Commitment under the Scheme. A Capacity Commitment made under the NOI is comprised of two components: <ul style="list-style-type: none"> <li>• A commitment to remain in the South Australian region of the NEM during a Commitment Period; and</li> <li>• A commitment to make available a nominated amount of long duration dispatchable electricity capacity to the NEM during a Commitment Period.</li> </ul>
Online Portal	The online portal made available by the Scheme Administrator to Proponents as part of participation in the Tender Round
Operational Period	In respect of a Facility, the proposed or anticipated ‘Operational Period’ (as that term is defined in the Proforma FERMA) of any FERMA to be entered into between the FV and the Bid Entity in respect of that Facility should the relevant Bid be successful
Operational Year	As defined in the Proforma FERMA
Payment Cap	The committed output capacity for the Bid that is submitted by a Proponent and will be inserted into Item 25 of the Reference Details in the FERMA
Personal Information	As defined in the Scheme Administrator’s Privacy Policy listed on ASL’s website
Product	The product (FERMA) being procured under this Tender Round
Proforma FERMA	The proforma FERMA for this Tender Process as published on ASL’s website from time to time
Project	The development, design, construction and operation of the Facility by the Bid Entity
Proponent	Any person (who alone) or persons (who together, including Consortium Members) submits, or intends to submit, a Bid, including a shortlisted Proponent and a successful Proponent



Term	Definition
Q&A Closing Date and Time	As defined under the Important Dates section of these Guidelines
Q&A Process	The question-and-answer process in respect of the Tender Round described in Section 2.2.10 of these Guidelines
Ranked List	The ordered list of Bids developed by the Scheme Administrator across all Tender Categories, following assessment against the Bid Assessment Criteria.
Recommended Bid(s)	As defined in Section 2.5 of these Guidelines
Regulatory Instruments	Includes: <ul style="list-style-type: none"> <li>SA FERM Regulations</li> <li>Ministerial Direction</li> <li>Risk Management Framework</li> <li>any relevant licence, Approval, code, instruction, direction, condition or orders of an Authority (whether formal or informal) that regulates a person's activities in respect of the electricity industry</li> </ul>
Reliability Contribution	The Facility's expected ability to mitigate reliability risks by reducing unserved energy in the SA region of the NEM.
Required COD	The date by which the LDCP must achieve COD for the Project, as nominated in the Proponent's Bid.
Returnable Schedules	Set of documents or forms provided via the Online Portal that Proponents are required to complete and submit with their Bid
Revenue Floor	The committed output capacity for the Bid that is submitted by a Proponent and will be inserted into Item 23 of the Reference Details in the FERMA.
Revenue Sharing Cap	The committed output capacity for the Bid that is submitted by a Proponent and will be inserted into Item 24 of the Reference Details in the FERMA.
Risk Management Framework	A risk governance document developed by the Scheme Administrator, as required by Ministerial direction under SA FERM Regulation 10(1)(f), and described in Section 5.1.
SA	South Australia
SA FERM Regulations	National Electricity (South Australia) (Firm Energy Reliability and Orderly Exit Management) Regulations 2025
Scheme	The Firm Energy Reliability Mechanism scheme established under the SA FERM Regulations
Scheme Administrator	The Scheme Administrator as appointed under the SA FERM Regulations, this being ASL
Scheme Payments	As defined in the Proforma FERMA
Scheme Regulator	The role undertaken by the AER (subject to formal appointment) and the ESCOSA as defined in Section 5.2.2.
Scheme Regulator's Guidelines	Any guidelines made available by the Scheme Regulator(s) pursuant to their role under the SA FERM Regulations
Security for Process Bond	In respect of a Bid, has the meaning given to that term in the Tender Process Deed
Shared Associate	As described in Section 4.16 of these Guidelines
SPV	Special Purpose Vehicle
System Security Services	The Facility's capability to contribute to system security services.
Target COD	In respect of a Tender Category, the Target COD for that Tender Category as set out below: <b>Tender Category 1:</b> 1 November 2028 <b>Tender Category 2:</b> 1 November 2029 <b>Tender Category 3:</b> 1 November 2031
Tender Category	A classification used to group Bids according to their nominated Target COD as described in Section 1.3 of these Guidelines
Tender Conditions	The terms and conditions set out in Section 4 of these Guidelines and such further terms and conditions that are otherwise imposed by the Scheme Administrator in respect of the Tender Round
Tender Document or Tender Documentation	The documentation issued by the Scheme Administrator in respect of the Tender Round, including: <ul style="list-style-type: none"> <li>these Guidelines;</li> <li>Tender Round market briefing materials; and</li> <li>the Tender Process Deed executed by the relevant Proponent,</li> </ul> but does not include the FERMA and any other contract documents issued in conjunction with the Tender Documentation listed above

Term	Definition
Tender Guidelines or Guidelines	This document, including its Tender Round details (before the table of contents), schedules, attachments and appendices, and any Addenda
Tender Launch	As defined under the Important Dates section of these Guidelines
Tender Process	As described in Section 2.1 of these Guidelines
Tender Process Deed	A legally binding deed, setting out the terms under which Proponents participate in the Tender Round. The template Tender Process Deed will be published on the Online Portal shortly after Tender Launch
Tender Round	The Tender Round as specified in these Guidelines, commencing on the date notified by the Scheme Administrator on ASL's website and concluding when the Scheme Administrator has notified each Proponent that the process has concluded
Tender Target	The amount of capacity targeted to be recommended for award in this Tender Round, as described in Section 1.3 of these Guidelines
TNSP	Transmission Network Service Provider in South Australia – ElectraNet
Upside Payment	As defined in the Proforma FERMA
Validity Period	<p>The period commencing from Tender Launch and ending on the earlier of the date on which:</p> <ul style="list-style-type: none"> <li>the Proponent's Bid Entity executes a FERMA in connection with the Tender Process;</li> <li>the Scheme Administrator informs the Proponent that the Validity Period for its Bid under the Tender Process has ended, which is expected to be approximately six calendar months from Tender Launch;</li> <li>the Tender Process is announced as having been cancelled or discontinued;</li> <li>the Proponent withdraws its Bid in accordance with Section 4.26;</li> <li>or such other period of time as may be notified by the Scheme Administrator and agreed to by the Proponent (acting reasonably).</li> </ul>
Wholesale Market Benefits	The Facility's potential to reduce wholesale electricity costs in the SA region of the NEM

